Daily Report

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FBIS-EEU-93-174 *10 September 1993*

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Slovakia's Suspension From CE Urged

LD0909220693 Warsaw TV Polonia Network in Polish 1900 GMT 9 Sep 93

[Excerpt] [passage omitted] [Correspondent Andrzej Geber] A protest submitted by Simon Wiesenthal from the Vienna office for research into Nazi crimes suggested that Slovakia's rights as a member of the Council of Europe should be suspended.

[Begin recording] [Catherine Lalumiere, Secretary General of the Council of Europe identified by caption, in French with superimposed Polish translation] If it turned out that any state member of the Council of Europe was discriminating against national minorities in words or activities, such a state cannot continue to be a member of the Council of Europe. We do not have any such evidence against Slovakia and so we cannot charge the state's authorities on the basis of unconfirmed statements. If the fact is that the Slovak prime minister represents such a stance, the Council of Europe will react decisively and may consider possible suspension of Slovakia's membership. [end recording]

[Geber] The Slovak Government spokesman denied the allegations and said that the Czech information agency correspondent twisted and falsely presented the Slovak prime minister's statement. The Council of Europe is investigating this matter.

Granic Stresses Importance of Bosnian Peace Agreement

AU0909100993 Vienna KURIER in German 9 Sep 93 p 3

[Report by Susanne Lintl: "Granic: 'There Must Be a Peace Agreement'"] On the fringe of the Vienna Security Symposium, Croatia's Foreign Minister Mate Granic talked to KURIER.

[Text]

"There must be an agreement. We must make every effort to finally come to a peace settlement in Bosnia-Herzegovina. I am praying for peace." Croatia's Foreign Minister Granic sounds desperate when he speaks about the madness of war in Bosnia. And then, devaluing the weight of his words, he immediately presents himself as an uncompromising man: Croatia will return to the negotiating table in Geneva, but "we will not making concessions on territory any more. For us, the plan is painful enough in its current form."

Granic says that the failure of the peace negotiations is "definitely" to be blamed on "the Muslims, because they refused to sign the plan on division." The Muslims are "not consistent" in themselves: "Some of them are moderate, others are militant." Therefore, it is difficult to come to an agreement.

In Zagreb, they are already thinking beyond the present, to the time after the war. Granic: "An accompanying measure for a peace agreement for Bosnia must be a strong presence of international troops on the ground and a complete demilitarization; in addition, free communications and the same standards for the rights of minorities in all three republics." Croatia is also very interested in the future Union of Bosnia-Herzegovina in economic terms.

The Croats pose three conditions for extending the UN mandate, which expires on 30 September: A cease-fire in the Serbian dominated Krajina, guarantees for the implementation of all UN resolutions that affect Croatia, and the division of the UNPROFOR mandate into three parts for Croatia, Bosnia, and Macedonia.

Talks on Danube Dam End in Bratislava

LD0909214393 Budapest Kossuth Radio Network in Hungarian 2000 GMT 9 Sep 93

[Excerpts] The trilateral expert talks on sharing the water of the Danube [between Hungary and Slovakia] ended in Bratislava tonight. Ildiko Nagy reports:

[Nagy] [Passage omitted] According to Gabor Vida [head of the Hungarian delegation], there will be no need in the future to doubt the impartiality of the EC experts—in the past the Hungarian side had cast doubt on their impartiality—because the fact that water measurings will be taken by all sides and that data will be exchanged rules the possibility of partiality out completely.

The next round will be in Budapest, but no date has yet been agreed on.

Suchocka Opens Central European Banking Conference

LD0909175793 Warsaw PAP in English 1637 GMT 9 Sep 93

[Text] Warsaw, Sept. 9—Premier Hanna Suchocka opened a two day banking conference in Warsaw on Thursday [9 September] attended by delegates from Poland, Hungary, the Czech Republic and Slovakia aimed at discussing the experiences of those countries in transforming their banking systems.

In her opening speech Suchocka expressed her hopes that the conference would lead to closer cooperation between the four countries.

The main aim of the conference is to discuss the future reforms in the finance sector, the problem of bad debts and the privatisation of banks.

The conference delegates considered that problems in restoring creditworthiness were the basic factor causing delays in improving the health of the Central and Eastern European banking system.

According to Ian Hume the World Bank representative in Poland, rebuilding the profitability of enterprises ought to be the main aim in restructuring the Central and Eastern European economies.

He thought that the financing of budget deficits by the emission of treasury bonds soaked up too much capital needed for new investments. For instance, in Poland barely 38 per cent of bank funds was allocated for loans to companies whereas the European average was around 70-80 per cent.

This years budget set aside about 21 trillion zlotys (some 1.1 billion dollars) for the banks, of which 11 trillion has already been distributed among the 7 banks separated from the National Bank of Poland (NBP) in 1989.

Accord on Military Equipment, Technologies Signed

LD0809164193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 8 Sep 93

[Text] At the conclusion of two days of talks in Krakow, the Slovak, Hungarian, Czech, and Polish deputy defense ministers and chiefs of staff have signed a document on the principles of mutual deliveries of military equipment and technology, and on the future development of defense systems in the countries of the Visegrad Group.

The agreement deals with the modernization of military equipment, which should result in the equipment becoming compatible with that of NATO armies.

New Illegal Arms Export Affair Disclosed

AU0909193193 Sofia KONTINENT in Bulgarian 7 Sep 93 p 7

[Article by Angelina Petrova: "A New Macedonian Arms Deal Is Under Way in Which Konstantin Mishev Is Not Involved and About Which No One Knows Whether It May Cause the Fall of the Present Government"]

[Text] Authorized by the mayor of the Nadezhda Municipality, some individuals "entered" the locked office of the Liechtenstein Intercontact Company in Sofia on 16 July 1993. They carried out an "inspection" (which the president of the company describes as a search) and took an inventory of the company's property without any company representative whatsoever being present. They replaced the combination locks of the main door and deposited the latch keys at the municipality. All of this was done without any instructions on the part of the public prosecutor.

The invasion of the authorized individuals was preceded by the attempt of the Sofia Mayor's Office to contest the Intercontact Company's right of using the premises of a municipal property for its offices. The Mayor's Office claims that the municipality did not possess a contract with the company regarding the rent. Plamen Simov, the president of Intercontact, however, declared that such a contract does exist and cited the name and date entered on the file, which is supposed to be in the archives of the municipality.

The document was expected to be submitted to the municipality by the company's legal expert on the day in which the deputy mayor ordered the break-in into the locked offices without any advance notice. According to Simov, the contract, together with other documents related to the company, were deposited in the offices.

The inventory of 16 July taken by the municipal inspectors does not contain a file with such documents. It also does not contain any reference to the amount of 40,000 leva which, according to Simov, were in the same file. Generally speaking, no documents related to the company are mentioned in the inventory. On the other hand, several $1 banknotes are registered, about which Simov claims that they could hardly be found without a thorough search of the premises.

The Plamen Simov we are talking about is the same Plamen Simov who was a deputy of the Rights and Freedoms Movement [DPS] in the Grand National Assembly. This fact alone is tantamount to an act of treason, the legal adviser of the Nadezhda Municipality told Simov, without explaining even one reason to justify the municipality's proceedings against the Intercontact offices. After the district prosecutor's interference, the municipal authorities declared their readiness to hand in the keys of the new combination lock to the president of the company. However, they refused to inspect the company's property on the basis of the 16 July inventory together with him.

While Simov was trying to attract the prosecutor's attention to the strange behavior of the Nadezhda Municipality's officials, he found out that his account at the Foreign Trade Bank was frozen without any advance notice.

"I presume that the freezing took place at the Prosecutor's instruction," the bank's director Sgurovski explained "on principle," before checking with his subordinates on that particular case. It turned out that in that particular case the "principle" was disregarded. "There are certain misunderstandings that may slightly obstruct our relations with Intercontact, but I hope that things will be settled in the long run," Director Sgurovski tried to gloss over the scandal, after discussing the matter with his employees. The bank clerks, on their part, reportedly urged Simov to behave "like a good Bulgarian" and keep quiet about the incident.

It is nevertheless a fact that, as a result of these "misunderstandings" on a municipal and bank level, the work of the company is almost stagnating. Simov is awaiting to be surprised within the forthcoming days by a third "misunderstanding" that is likely to cause the total stagnation of his work. According to him, certain "dark forces" are trying to prevent him from getting involved in the arms business that he is aspiring for. Simov is currently acting for the Skopje MZT-Komerc state-owned company for which he is authorized to sign contracts on its behalf and at its expense. He is also representing the Bulgarian Beta Company in Cherven Bryag, the Khan Krum Company in Turgovishte, and the Sopot Military Machine-Building Plant. He also declared himself ready to guarantee a $200 million credit, likely to stimulate the future conversion of the Bulgarian military-industrial complex.

People who are familiar with the secrets of Bulgarian arms deals say that Simov is not very far from the truth in explaining the reason for the recent attacks against his company. However, they presume that Simov's habit to chatter with correspondents is the main cause of his troubles, even if only for the fact that, because of the publicity about his foiled deal on arms deliveries to Macedonia, certain facts could be disclosed, compared with which Konstantin Mishev's [adviser of former Prime Minister Filip Dimitrov] fact-finding mission in Skopje, in the summer of 1992, appears as a mere child's game.

Plamen Simov claims that a deal on arms deliveries to Macedonia really has been concluded. It was done in Sopot in late June 1993 during negotiations between a Skopje delegation and part of the machine-building plant management, headed by Director Angel Piskov. The Macedonian side was represented by Ljubco Velickovski, the general manager of Komerc, by the director of the tank repair plants in Skopje and by Plamen Simov himself.

On that occasion, Angel Piskov, director of the military machine-building plant, was supposed to have declared that Macedonia should be regarded as a serious market in a sovereign state.

According to Simov, the total deal amounts to $2.5 million. The Macedonians signed contracts with Beta in Cherven Bryag, Khan Krum in Turgovishte, and, last but not least, with the Sopot Military-Industrial Plant, whose share was supposed to be quite substantial.

The talk in Sopot with Piskov and his people convinced the Skopje delegation that **the agreed deal was only the beginning.**

Macedonia is a large and promising market that will provide work for our factories, Piskov assured the businessmen from Skopje. Talks took place not only on supplying special [defense industry] products from the Sopot plants but also on production sharing in civilian production. Simov declared that his company could produce a third party to provide credit financing for the promising cooperation that was looming on the horizon.

Did the topic of the embargo on all arms deliveries to Macedonia come up during these negotiations? This is the question that anyone will ask who believes that not a single cartridge crossed the Bulgarian-Macedonian border after last autumn's scandal involving the adviser of former Prime Minister Dimitrov [Konstantin Mishev], although intelligence sources claim that this was not the case at all. However, no one in Berov's government paid any attention to reports from the National Intelligence Service.

At the plants in Cherven Bryag, Turgovishte, and Sopot, people have always said that the government will be the last to say whether arms can be exported to Macedonia, Plamen Simov asserts. "Yet if Piskov had instructions not to export to Macedonia, then he would not have held these negotiations at all," the president of a Swiss company based in Sofia believes.

Aleksandur Aleksandrov, secretary of the government commission that controls the arms trade declares: "I have told everyone who comes to me to hold preliminary discussions that arms exports to Macedonia are subject to the embargo." Did he say this to Piskov as well? "I would have said this to him, too, if we had discussed the subject."

A week after the Skopje delegation's visit to Sopot, Director Piskov showed up in Simov's office in Sofia to inform him that "everything is proceeding normally." Among other things, he mentioned that it was necessary to hold discussions "on these issues" with [Industry Minister] Rumen Bikov and [Trade Minister] Valentin Karabashev.

According to Simov, Piskov's precise words were: "If necessary, we will go to the Botev Peak and talk to them there, but this deal must be concluded."

Simov did not bother to ask why exactly the talks with the two ministers should be held on Botev Peak. "Piskov gave me the impression that Bikov and Karabashev are well disposed regarding the issue, and it only remained for us to arrange the details."

But why precisely were Bikov and Karabashev supposed to be taken to the peak in the Balkan Range? I have no idea what Piskov had in mind, Simov claims.

According to a member of the government commission that controls arms exports, Karabashev's word carries great weight at the commission and is in fact even more important than the officially declared embargo on arms exports to Macedonia. However, the commission's secretary Aleksandrov claims that so far Karabashev has shown no inclination to intervene in this way. According to Aleksandrov, there was accordingly no point in Simov climbing to the top of the Botev peak to talk to Karabashev and Bikov.

Soon after Piskov's visit to the Intercontact offices, the director of the Sopot plant reportedly phoned Simov to say, without giving any explanation: Forget everything, such a state (Macedonia) does not exist.

Accordingly, Simov has no idea why in the meantime Piskov sent two men on a business trip to Skopje, nor why the two visitors showed in Skopje a document with the state seal of Macedonia that Lyubco Velickovski, managing director of MZT-Komerts, was foolish enough to leave in the director's possession in Sopot. According to Simov, Velickovski got off lightly, merely with making a fool of himself, in the sense of people saying: We can see what sort of people the Bulgarians are with whom you want to do business.

Is Macedonia really an embargo state?

Furthermore, Simov does not know why one of the men whom Piskov sent to Skopje came from Metalkhim because the deal negotiated in June did not involve any third party. If this was an attempt by someone else to act as a middleman in the deal, it certainly did not come off, Simov thinks.

People familiar with arms industry matters are not sure that the president of Intercontact has grounds to be so self-confident. They do not exclude the possibility that at some stage he may be shut out from the completion of the deal.

Now Plamen Simov intends to make a special appeal to all foreign businessmen who are thinking of doing business with Bulgaria. He reportedly wants to warn them not to rely on the protection of the law. Even in "grandfather's time," the situation was not like this, he thinks.

"Has he really been talking to the press?" a deputy in the Parliamentary National Security Commission whom Simov approached some time ago to seek justice, exclaimed with amazement. The deputy in question

advises that the affair should not be publicized under any circumstances because it might "topple" the government.

According to this deputy, the "state of affairs" in this "business" are more complex than in the scandal connected with Konstantin Mishev's mission to Skopje. For example, is Macedonia realy a state covered by the arms trade embargo?

We have accepted that it is an embargo state, the deputy said, because this is how the Foreign Ministry interpreted the UN Security Council resolution.

Once again we have pretended to be "more righteous than the Lord," with the aim of protecting national interests and in the interest of corruption at all levels.

Zhelev Says Support for Berov Cabinet 'Conditional'

AU1009110393 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 10 Sep 93

[Text] In connection with President Zhelev's recently launched idea about restoring the former parliamentary majority, the president, in an interview with Darik Radio, explained that he does not distance himself from Prime Minister Lyuben Berov's government, but that support for this government, like support for all other preceding governments, is conditional. He pointed out that he is not in a position to commit himself to a mediator's role in this respect, because the Constitution does not authorize him to interfere with the parliament's competence.

In the same interview the president confirmed that Dimitur Velev, the correspondent of the daily [name indistinct] in Skopje, will be granted Bulgarian citizenship on the basis of the application he had submitted to the presidency.

Government Approves 'Protectionist Decrees' for Imports

AU0909170793 Sofia BTA in English 1347 GMT 9 Sep 93

[Text] Sofia, September 9 (BTA)—At a regular meeting today the government approved a package of three protectionist decrees. I would prefer this matter to be regulated by law but given the pace of parliament's lawmaking, this cannot be done soon, Deputy Prime Minister and Trade Minister Valentin Karabashev, the decrees' sponsor, told journalists at the Government Press Office.

For commodities which are imported in Bulgaria in large quantities and under conditions which harm Bulgarian manufacturing, the competent authorities can set import quotas and extra duties, or introduce a requirement for import registration or ...mission, which either cancels or amends the import licence, the Decree on Protective Measures on Import says. Another decree envisages the protection of the domestic market from goods imported at dumping or subsidized prices. It fixes minimum import prices for certain commodities to protect local production. The minimum prices will be fixed on the basis of wholesale prices in this country, Mr. Karabashev said. Under the third decree, a regime of permissions and minimum prices will be introduced for the import of certain agricultural goods, alcohol and cigarettes. This aims to end the practice of importing these goods at low prices and selling them at the current retail prices, which allows some traders to reap excess profits, Mr. Karabashev said.

The decrees take effect after their publication in the Official Gazette. They meet all requirements and conditions for Bulgaria's association with GATT and the EC, Mr. Karabashev said.

Ministry Summons Romanian Envoy To Protest New Map

AU1009110493 Sofia BTA in English 1025 GMT 10 Sep 93

[Text] Sofia, September 10 (BTA)—The charge d'affaires of Romania was summoned to the Ministry of Foreign Affairs today, in connection with a recently published physiographical map of Romania, showing Romania's borders in 1918-1940 (which include Southern Dobrudzha), along with that country's present borders. The Foreign Ministry press office reported.

The Bulgarian Foreign Ministry expressed the view such acts should be prevented, as they harm bilateral relations, the press office release says. The Romanian side has been asked to clarify the case.

"Romanians place Southern Dobrudzha and good neighbourly relations at stake," said a front-page article in TRUD yesterday. A physiographical map of Romania published and circulated in that country, a copy of which reached the editorial office of the TRUD daily, shows Bulgaria without Southern Dobrudzha, said the paper. "This is nothing but a territorial claim on Bulgaria," former longstanding diplomats told TRUD.

"I can state officially that the Romanian leadership has no intentions of changing the borders," Adrian Dragomir, first secretary of the Romanian Embassy in Sofia, told TRUD. He added on his own behalf that both in Bulgaria and in Romania there are groupings sparing no effort in trying to sever relations with neighbouring states. Citing well-informed sources, TRUD wrote that the company which published the map is the official publisher of geographic maps in Romania over the past five years so this map can hardly be described as an apocryphal publication.

Commentary Urges Improvement in Relations With Serbia

AU0909192493 Sofia KONTINENT in Bulgarian 7 Sep 93 p 6

[Commentary by Maksim Bozhilov: "Contacts Are Not in Contradiction With the Embargo"]

[Text] The manner in which the two Bulgarian vessels "Vasil Aprilov" and "Khadzhi Dimitur" were allowed to break through the Danube blockade by the Serbian nationalist organizations "White Rose" [Bela Roza] and "New Byzantium" [Nova Bizantija] should give some food for thought to Bulgarian politicians and statesmen.

Since the Bulgarian authorities are not in a position to assist Bulgarian companies in their work, those affected take their destiny into their own hands and usually manage to solve their problems. Since the authorities have proved incapable of helping the private shipping companies, they are perfectly entitled to appeal to the Serbian nationalists for assistance. The fairy tale about Captain Ivan Kharalanov drafting a letter to the organizers of the Danube blockade, urging them to let him pass, with the approval of the Bulgarian Embassy in Belgrade, only shows the impotence of the Bulgarian diplomatic mission to defend the interests of Bulgarian trade shipping against the Belgrade authorities.

In order to change this state of affairs it is not sufficient for President Zhelev to summon the prime minister and the cabinet to discuss which international, political and financial institutions should be approached with requests for compensation for the results of observing the sanctions against Serbia and Montenegro. Naturally, our country must observe UN sanctions, but nothing and no one can prevent the Bulgarian Government from maintaining, if not good, at least some working relations with its neighbors.

The Mediterranean state of Greece has no common border with Serbia, but both countries are in permanent contact, without Greece violating the sanctions. It is high time that people in Sofia learned from this experience, and Prime Minister Berov's meeting with his Yugoslav colleague, which has been repeatedly postponed for unknown reasons, should finally take place.

Havel: Sudetan Germans Not to Receive Compensation

LD0909171893 Prague Radiozurnal Radio Network in Czech 1400 GMT 9 Sep 93

[Text] President Vaclav Havel stated today that the Czech side cannot and will not compensate Sudeten Germans. This is what he said when meeting journalists at Prague Castle in response to the statement by German Foreign Minister Klaus Kinkel regarding the Bonn government's support for the demands of Germans repatriated after World War II from eastern European states.

In this connection, President Havel noted that, according to postwar agreements, this compensation should have been paid by subtracting it from reparations [due to the Czechs]. However, we did not get any reparations. In his view, the standpoint taken by the two countries does not mean however that we should not conduct a dialogue with Sudeten Germans.

Jews' Exclusion from Restitution Criticized

AU0909142493 Prague CTK in English 2104 GMT 7 Sep 93

[Text] Prague, Sep 7 (CTK)— Israeli Ambassador to the Czech Republic Yoel Sher said today he believed that property stolen by the Nazis and communists from the Jews living in Czechoslovakia should be returned.

Speaking at a two-day international conference called Notes from the Past Czech-Israeli Relations Then and Now, Sher said that the property question was one linked to international relations and morality.

The issue has two aspects: the first concerns communal property, such as Prague's Jewish Museum, which should be tackled by the parliament, while the second concerns personal property which cannot be returned to the owners because it is not subject to the restitution law.

Sher said he was well aware of the problems the Czech Republic had with the Sudeten Germans. In this light, the restitution of Jewish property stolen by the Nazis could be a very dangerous precedent.

But he added it was immoral to place Holocaust victims on the same level as those who had been their persecutors, though this did not apply to all Sudeten Germans.

Under the Czech restitution law, no property can be returned which was confiscated before February 25, 1948, the day the communists seized power in Czechoslovakia. The Sudeten Germans are now claiming their property which was expropriated under the decrees issued in 1945 by the then Czechoslovak President Edvard Benes.

The chairman of the Prague Jewish Community, Zeno Dostal, warned against the danger of a third aryanization which he sees in the Czech state's attitude to the community. Unless the social situation of those who had experienced the Holocaust was improved, the Jewish prospects were bad, he added.

Klaus: Government Ministers Reject Agrarian Program

AU0909160493 Prague CTK in English 1953 GMT 7 Sep 93

[Text] Prague, Sep 7 (CTK)— Czech ministers did not approve the draft program for Czech agricultural policy for 1994 and 1995 proposed by Czech Minister of Agriculture Josef Lux, Czech Premier Vaclav Klaus told journalists after their meeting today.

The program was not approved because it puts stress on some other targets, ambitions and suppositions than what most economic ministers had in mind. The project viewed agriculture from somewhat different angle, Klaus said.

Klaus pointed out that the agricultural program should focus on the stability of the market and food prices, the balance between supply and demand and similar targets. The state will not ensure profitability to the sector as some agricultural employees would like. It is a heterogeneous branch and a generalized approach to the problems of agriculture is misleading, he said.

He added that the project also missed some necessary elements, such as an analysis of recent developments in agriculture, Klaus said.

Lux Challenges Klaus Conclusions

AU0909160693 Prague CTK in English 2138 GMT 7 Sep 93

[Text] Prague, Sep 7 (CTK)— Czech Premier Vaclav Klaus did not convey to journalists the conclusions of today's ministerial meeting on the draft program for agricultural policy until 1995, but his own views, Agriculture Minister Josef Lux said in a statement given to CTK tonight.

The statement, given to CTK by Lux's press spokeswoman Marcela Dvorackova, said that no conclusions had been formulated in fact.

Speaking after the ministerial meeting, Klaus told journalists that the ministers had not approved the draft program because it puts stress on some other targets, ambitions and suppositions than what most economic ministers had in mind.

Lux said in his statement that the formal aspect of the program was criticized, but the fundamental principles and goals were not challenged.

After interruption of the discussion, Klaus recommended to complete the draft program in harmony with the suggestions made in the discussion, Lux said.

We reject goal-orientated effort to divide society into citizens and farmers. The transformation of agriculture

is a matter of the whole society, and farmers, too, are citizens of this state, Lux stressed in the statement.

Havel Refuses To Comment on Talks About Rushdie

LD0909202393 Prague CTK in English 1836 GMT 9 Sep 93

[Text] Prague, Sept 9 (CTK)—Czech President Vaclav Havel told journalists today he would not comment on his meeting with Premier Vaclav Klaus, Foreign Minister Josef Zieleniec and Interior Minister Jan Ruml last night.

Asked to clarify the statements by his spokesman Ladislav Spacek which were allegedly not in harmony with reality, and to say why, on Wednesday of last week, he informed Zieleniec but not Klaus about Salman Rushdie's coming visit, Havel replied that the four participants in the meeting on Wednesday had agreed not to comment on the topic.

A statement on the meeting, given to CTK last night, said that the participants consider it most unfortunate that in connection with Salman Rushdie's visit, some inaccuracies and misinterpretations occurred, also partially due to statements by Presidential Spokesman Ladislav Spacek which did not correspond to reality.

Rushdie, a British writer of Indian origin, has been living in hiding for 4-1/2 years to escape a death sentence pronounced by Iran's late Ayatollah Khomeyni for his novel The Satanic Verses. Rushdie visited the Czech Republic on September 2-5, taking part in a seminar on nationalism and racism held in Liblice, near Prague. On Thursday last week, he met privately with Havel.

A row erupted between Havel and Klaus over the former's meeting with Rushdie. Klaus said he had not been informed of Rushdie's visit, and pointed out that the Havel-Rushdie meeting had been Havel's personal affair and was in no way an act directed against Islamic countries.

On Sunday, Spacek said that Havel's meeting with Rushdie was a manifestation of Havel's professional and human solidarity.

On Monday, Spacek said that the Czech Government had been informed in time of the planned Havel-Rushdie meeting. Referring to Spacek, Czech television said on the same day that Havel had personally informed Zieleniec of the coming visit.

Deputy Foreign Minister Reiterates Interest in NATO

AU0909142693 Prague CTK in English 2045 GMT 7 Sep 93

[Text] Vienna, Sep 7 (CTK)— Czech Foreign Deputy Minister Alexander Vondra confirmed the Czech Republic's interest in NATO membership and proposed that Central and East European states assure each other of the inviolability of borders.

The border disputes were the causes of most European conflicts, stated Vondra speaking at a two-day symposium of foreign and defense ministers of the Central and East European countries on security risks in the region which started today.

The Czech Republic is also represented by Defense Deputy Minister Jiri Pospisil.

In reflections on the current and future European structures, Vondra analyzed some weak points of the European institutions, the Conference on Security and Cooperation in Europe and the European Community, as they had appeared in the course of the war in former Yugoslavia.

Havel Favors Slovakia Joining NATO

LD0909201893 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 9 Sep 93

[Text] Czech President Vaclav Havel focused in Prague today on domestic issues, in particular on foreign policy issues. Apart from other things he expressed his own view of the functioning of the Visegrad Group and the possibility of the Czech and Slovak Republic joining NATO. Our permanent correspondent to Prague Daniela Galikova covered the briefing at Prague Castle.

[Galikova] At the time of its introduction, the Visegrad Group was an instrument designed to break Russian hegemony. It was a tool which was instrumental in abolishing the Warsaw Treaty and the Council of Mutual Economic Assistance. The situation is rather different nowadays, and that is why the purpose of this cooperation is changing, Vaclav Havel said. In his view, the Visegrad Group should not be an institution which would always and everywhere act in unison. It should be an area designated for less obvious cooperation, coordination, and interaction on economic and political issues.

Vaclav Havel stressed that this kind of cooperation should not constrict sovereignty. The point is that it presuppose that the states of this group would be admitted into various integrational groups one by one, or in other words, when they are ready for it. They should not be trying to poop on each other's head.

The Czech President also confirmed that, in his view, the Czech Republic will be heading strictly for the North Atlantic Alliance and that he does not consider that an alternative grouping could be formed or receive his support.

Responding to the question, whether he believes that Slovakia will also join NATO, and whether he would like to see Slovakia entering NATO jointly with the Czech Republic, Vaclav Havel said:

[Begin Havel recording] I think that from the viewpoint of the logic of European stability, and from the viewpoint of the association processes in Europe, it would be very good if the Slovak Republic was admitted into NATO. If it were not admitted it could mean a rise of some kind of political border dividing the Czech and Slovak Republics. It would mean certain fission in the logical geopolitical region in which both our republics are situated.

However, the sequence in which individual countries will be admitted into NATO will be, naturally, up to NATO. It is up to the countries themselves whether they meet NATO's conditions. [end recording]

CSSD Accuses BIS of Working Against Parties

AU1009085793 Prague CTK in English 1819 GMT 7 Sep 93

[Text] Prague, Sep 7 (CTK)—The Security and Information Service (BIS) is a political police working in the old spirit, and is capable of being abused at any time by the ruling political party, former chairman of the federal parliament's Defense and Security Committee Ladislav Lis said at the Czech Social Democratic Party (CSSD) press conference today.

Instead of safeguarding the country from organized economic crime, the BIS keeps track of the opposition parties and the personal lives of political leaders as the StB, the communist secret police, used to, Lis said. He said he had no evidence to back his claim, but only indications which he could not document.

Lis said that the present unsatisfactory security situation had two main causes. The first was the corruption boom in the state machinery connected with the green light being given to laundered money from this country and abroad. The second cause was the desperate state in the leadership of the Interior Ministry.

CSSD deputy Stanislav Gross said that after the parliamentary Defense and Security Committee's session last week he had lost all faith in Interior Ministry leaders.

He said that at the committee's session, in spite of objections from some opposition deputies, the governing coalition had approved a declaration which instead of announcing that the leadership of the Interior Ministry has nothing to do with criminal activity, said that no suspicions have been shown to be founded.

Statistical Office Predicts 0.9 Percent GDP Growth

AU1009085893 Prague CTK in English 1913 GMT 7 Sep 93

[Text] Prague, Sep 7 (CTK)—The Czech Statistical Office (CSU) expects the gross domestic product (GDP) in the Czech Republic to increase by 2.2 percent in the second half of the year and the total growth for 1993 to be 0.9 percent, Czech Premier Vaclav Klaus said after today's ministerial meeting.

Klaus stated that according to precise data provided by the CSU, the GDP dropped by 2.2 percent in the year's first quarter and increased 1.1 percent in the second quarter. Compared with the same period in 1992, the GDP dropped 0.5 percent in the first half of 1993.

There is hardly an economy which shows such a small drop of an introduced indicator, Klaus said and stressed that the GDP of the Slovak Republic dropped 6.2 percent in the first half of 1993.

Klaus pointed out that the gross industrial output of the Czech Republic decreased 4.9 percent in the first quarter of the year and 4.5 percent in the second quarter over the same period in 1992. Analysis shows that this is resulting in a significant drop in the volume of intermediate products, Klaus added.

Three 'Skinheads' Detained in Rabbi Assault Case

AU0909171193 Prague CTK in English 1526 GMT 7 Sep 93

[Text] Bratislava, Sep 7 (CTK)— Three skinheads were detained and one taken into custody yesterday on suspicion of assaulting Slovakia's chief rabbi Sunday [5 September].

Two of the skinheads, aged 14, were questioned and released. The other, 17, was held for further investigation.

Chief Rabbi Baruch Meyers was jumped and beaten Sunday in the area of Stary Most, but he did not report the incident at the time, and only revealed details of it when police investigators visited him later.

Meyers, a citizen of the United States, arrived in Slovakia in the spring of 1993 to become the country's first chief rabbi in 25 years.

Kovac 'Profoundly Concerned'

LD0909180093 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 9 Sep 93

[Text] President Michal Kovac is profoundly concerned about a report of an attack on Baruch Meyers, the spiritual representative of the Jewish religious community in Bratislava. A statement issued by the president on this occasion stresses that this deed, which should be condemned, does not express the views and attitudes of our citizens toward members of other religions and nationalities. Michal Kovac also expresses the conviction that the investigation will confirm that this was a one-off event that is not typical of our society and of our way of thinking.

Moravcik Addresses Council

LD0909212193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1930 GMT 9 Sep 93

[Text] The [Slovak] minister of foreign affairs today replied to a letter from Leslie Keller, president of the East European branch of the World Jewish Congress. The letter was addressed to the Slovak Embassy in Budapest. It calls for the prevention of future attacks against representatives of the Jewish community.

Minister Moravcik stresses in his reply that the attack on Bratislava Rabbi Baruch Meyers [on 5 September] had not been an expression of hatred directed against a person of another religious group, but uncontrolled behavior, as is shown by the age of the violent youths who were arrested.

At the same time, Josef Moravcik invited the World Jewish Congress official to enter into a dialogue.

MKDH Deputies Reject Meciar's Challenge to Mandates

AU0909161693 Prague CTK in English 1941 GMT 7 Sep 93

[Text] Bratislava, Sep 7 (CTK)—The Hungarian Christian Democratic Movement (MKDH) is not going to endlessly react to Slovak Premier Vladimir Meciar's ill-judged statements on ethnic minorities, MKDH Chairman Bela Bugar told CTK today.

He rejected challenging the Hungarian deputies' mandates by Slovak Government members, who have said several times of late that the complaints addressed by Hungarian parties to European institutions expressed the parties', not their voters' views.

Bugar stressed that the Hungarian parties had polled more than 250,000 votes in the June 1992 elections.

The MKDH has five and the Egyutteles movement nine out a total of 150 parliamentary seats. About 600,000 ethnic Hungarians live in Slovakia which has a population of 5 million.

In their letters sent to European organizations, the Hungarian parties have complained of the alleged violation of their human rights in Slovakia.

Klara Sarkozyova, a former Federal Assembly deputy, warned that cuts in Romanies' social benefits as mentioned by Meciar on Friday [3 September], would harm the whole population, not only the Romanies.

In a discussion on the Romany question, Meciar said that it was necessary, by lowering family allowances, to achieve a reduction in the extensive reproduction of socially unadaptable and mentally backward population.

Statements indicating the government's intention to interfere with the Romany birth rate are not in harmony with the Hippocratic oath sworn by graduates in medicine and have nothing in common with democracy, Sarkozyova, a doctor by profession, stressed.

Romanies Turn to Court Over Breach of Rights

AU1009085493 Prague CTK in English 1735 GMT 7 Sep 93

[Text] Kosice, East Slovakia, Sep 7 (CTK)—Slovak Romanies' Association Council (ARRS) and the Democratic Union of Romanies (DSR) protest against the government's and the Ministry of Culture's constant violation of the constitutional rights of the Romanies.

The Slovak Ministry of Culture has constantly violated the constitutional rights and arrogated to itself decision-making rights which belong only to the ethnic organizations and their membership, Dezider Olah, leader of the two Romany umbrella organizations, writes in a letter to Milan Cic, chairman of the Slovak Constitutional Court.

The number of Romany inhabitants is estimated to amount to 200,000 to 600,000 people, i.e. 4 to 12 percent of Slovakia's total population. Most of them in eastern Slovakia. Their unemployment and crime rates are much higher than by the rest of the population.

Romany representatives told CTK that they were reacting to the working document compiled by Augustin Lang, director of the Ethnic Minorities Department at the Ministry of Culture. The document was presented at the latest talks on ethnic minorities with President Michal Kovac on September 2.

The Romany representatives are pondering submitting complaint about violation of their rights.

Action Against Foreign-Owned Press Demanded

AU1009070593 Bratislava REPUBLIKA in Slovak 7 Sep 93 p 3

["Observer"-signed commentary: "Is It Not High Time?"]

[Text] I will not be original today, but the issue I will address is a pressing one. I would like to develop an idea that was recently floated by the essayist Juraj Fuchs in [the cultural weekly] LITERARNY TYZDENNIK. He pointed out that the danger has been realized in the Czech Republic that is threatening their regional press after German businessmen, particularly a Passau-based corporation, have gradually taken hold of it.

Almost 70 percent of the regional press in the Czech Republic has gradually turned into a force, a time bomb as it were, that might influence public opinion according to the publishers' political and economic interests.

Quite logically, countermeasures are being taken in the Czech Republic. A law is to limit the influx of foreign capital into dailies, which will be strictly, almost drastically reduced—to 5 percent. That, at least, is one of the proposals put forward.

At the same time, we have to remember that the Czech regional press has never in any way questioned the existence of the Czech Republic, not even the policy of its government. In spite of this, the Czech Government does not consider the restriction of foreign capital in the press to be a breach of democracy but the Czech Republic's vital interest.

Should this not be the duty of the Slovak Government and parliament, too? There exist well-founded reasons to believe that foreign capital plays a crucial role in several Slovak dailies and periodicals. All of them are publications, for which the present government is a target of unfastidious criticism and the very existence of an independent Slovakia a thorn in their flesh.

Unlike the Czech regional press, this part of the Slovak press with foreign capital input is casting doubt on everything: the existence of democracy in Slovakia, Slovakia's independence, and the Slovak statehood and its aims and prospects.

I could name here at least four dailies in Slovakia that are being subsidized from abroad, one weekly, and one other periodical. For the time being, allow me to let you guess where politics are being "cooked" for non-Slovak money.

All these dailies and periodicals clearly operate at a loss. They do not earn their own upkeep. In spite of this, they are being published, criticizing and denouncing each Slovak deed and having nothing but ridicule for the nation's creative efforts. They never forget to relish everything that damages this republic and never hesitate to amass horrifying economic forecasts and sow distrust in Slovakia's future.

Is it not high time to check their books, to verify from where capital is flowing to their bank accounts for this "meritorious" activity?

Even though I have not yet betrayed the names of those periodicals, I do not intend to keep them to myself.... Be patient.

Antall To Undergo Medical Treatment

LD0909182093 Budapest Kossuth Radio Network in Hungarian 1600 GMT 9 Sep 93

[Report by Gabor Bankuti from the government spokeswoman's briefing]

[Excerpt] [Bankuti] Due to medical treatment, Jozsef Antall will not attend office for several periods of four to five days at preplanned times in the coming months, said Dr. Gyoergy Nemeth, university teacher, on behalf of the medical team treating him.

The Prime Minister's Press Office added that this treatment will not prevent the prime minister from taking fundamental decisions, and from the continual functioning of his office. During the treatment, other matters will be handled by ministers according to the substitution system, or by specially designated ministers, announced spokeswoman Judit Juhasz. [passage omitted]

Communique Issued

LD0909192093 Budapest MTI in English 1752 GMT 9 Sep 93

[Text] Budapest, September 9 (MTI)—A prime minister's press office communique says treatment for non-Hodgkin Lymphoma will not stop Hungarian Prime Minister Antall from working effectively.

During Antall's scheduled 4-5 day periods of medical treatment the interior minister and other appointed ministers, in line with government rules, will act for him, the communique went on.

Finance Minister Boross [title as received] also told reporters that, meeting earlier government measures, the National Police Office in the first half of this year has reorganized police methods in fraud cases. With the state banking supervision and other financial supervisory bodies, the police have stepped up fraud inquiries. New legal proceedings are underway in over 40 cases. the total damage caused by these is nearly HUF [Hungarian forints] 20 billion. Crimes involved deceiving bank employees in charge of loans, corrupt ties between the debtors and bank employees, and abuse of employee negligence.

Also on Thursday, the government approved an agreement with the United States on intellectual property, initialled in July, which the international economic relations minister will sign, calling on ministers to submit necessary bills by November 30.

Hungarians Leaving Vojvodina in 'Ever Stronger' Waves

AU1009082493 Budapest MTI in English 0856 GMT 9 Sep 93

[Text] Budapest, 9 September (MTI)—"The reason for my current visit to Budapest is to try and find a joint solution with various Hungarian ministry and party officials to stop the ever stronger new wave of resettlements of ethnic Hungarians from Vojvodina," the chairman of the Democratic Community of Vojvodina Hungarians, Andras Agoston, said in an interview carried in Thursday's [9 September] national daily MAGYAR HIRLAP.

Agoston, who arrived in Budapest on Monday [6 September], did not provide details as to his actual negotiating partners, nor the themes discussed. He did, however, say his visit had been successful as agreement was reached on several issues.

The U.N. embargo against rump Yugoslavia afflicts the Vojvodina Hungarians to a far greater extent than others, as Hungarian workers are dismissed in greater numbers than others. The economic difficulties and the deteriorating living conditions force these people to resettle in Hungary, Agoston said.

According to figures by the Budapest Refugee and Migration Office, 67,000 war refugees have arrived in Hungary since 1991, and only 15,000 of them returned to their homeland or travelled on to third countries. Other statistics indicate that 50,000 refugees from the area of the former Yugoslavia are currently staying in Hungary.

Text of Walesa Letter to Parties on Campaign

WS0909145393 Warsaw SERWIS INFORMACYJNY PREZYDENTA in Polish 2016 GMT 8 Sep 93

["Letter From the President of the Republic of Poland"—SERWIS INFORMACYJNY headline]

[Text] Lech Walesa, president of the Republic of Poland, forwarded a letter to the leaders of political parties, groups, and coalitions that registered national lists of candidates running in the 19 September 1993 Sejm elections.

The addressees of the letter are: Non-Party Bloc in Support of Reforms, Catholic Election Committee "Fatherland," Coalition for the Republic, Confederation for an Independent Poland, Liberal-Democratic Congress, Conservative-Liberal Party Union for Real Politics, X Party, Independent Self-Governing Trade Union "Solidarity," Polish Peasant Party, Polish Peasant Party-Peasant Accord, Center Accord, Lepper's Self-Defense, Democratic Left Alliance, Democratic Union, Labor Union.

We publish the letter in its entirety:

Dear Mr. Chairman,

The day of the parliamentary elections is drawing near. The election campaign is entering a new phase. I am following it. It is a time of strong emotions and a heated political atmosphere. I understand it; this is the usual nature of elections. What worries me, however, is the lack of substantive content in this campaign. I get the impression that the discussions and controversies are primarily over problems of secondary or even lesser importance; sometimes these problems are quite marginal. There are too many personal skirmishes, in which one is trying to defeat one's opponent at any cost and by any means.

It also happens that people holding high offices in the state are taking advantage of their posts in the election campaign. Sometimes official decisions are made with a view toward political gains in the elections; even in areas that are vital to the state. I am deeply concerned about this.

The general situation in our country must be borne in mind. It is complex and difficult. Therefore, I would like to appeal for wisdom. It is desirable that the campaign take on a substantive character; that there are no emotions, but more programmatic content, which would concern the most vital issues facing Poland.

My intention is not to intervene in the course of the campaign or to impose any models. I am not taking part in the campaign, nor am I running in the elections. I do, however, appreciate their significance for Poland, for effectively accepting the challenges that we will face. I believe that the preelection discussions must be put in order. Therefore, I would like to suggest that the parties running for the Parliament supply an answer, unequivocal and clear to the voters, to the following four questions:

1. What is your party's attitude toward the program of the "New Beginning," which I presented during the presidential elections in 1990? Especially to those elements concerning:

—mass privatization through non-cash credits;

—designing employment opportunities and combating unemployment;

—rule of law, security of citizens, and an effective battle against economic crime.

The "New Beginning" program won the approval of many millions of Poles. I believe that today it should be looked upon as a point of reference for parties' election platforms. Not because it is my program and I am trying to obtain interest and support for it for parochial reasons, but because no one should ignore the will of voters expressed less than three years ago.

2. Is your party prepared to address the following areas as pillars of social and political life:

—science, education, culture;

—health protection and social aid system;

—internal and external security?

These areas require a stable and consistent state policy. Therefore, legal guarantees must be enforced which would allow for the speedy resolution of the most important problems in these areas, viewing them as the most important matters for our entire society.

Regardless of the configuration on the political scene and of the programmatic and economic options favored by those in power, the above-mentioned areas must be supported by the state budget, which would guarantee their stability and development. Pillars are the stabilizing elements of all premises. Moving them around may cause it to collapse. Therefore, an agreement of all political forces, which would ensure stability of the pillars of our state premises, seems desirable. It would help define the indispensable, but constant, budget allocations for those areas.

3. Can your party see the need to draw up a "Main plan for Poland," understood as a need to make an inventory of the national property, by:

—drawing a line between that property which should be privatized and that which should remain under state ownership;

—specifying how much and which branches of the privatized property should be owned by Polish citizens and by foreign investors?

Privatization is now one of the greatest economic challenges. Its rules, aims, and costs should be specified. These decisions must win the support of the people.

4. What three candidates for the post of the president of the Council of Ministers would your party propose if it won the elections?

I believe that such an offer is equally important for voters as a programmatic offer.

Dear Mr. Chairman,

I definitely do not want to give the wrong impression that I am dictating the conditions of the preelection confrontation of people and ideas. Please look upon the questions and matters that I have presented as an attempt to make the election campaign clearer. I am submitting the proposal in the interest of voters, and, as I hope you will agree with me, in the interest of the parties and coalitions that are running in the elections.

I suppose that they attach importance to presenting their thoughts on the most important social and political problems fully and clearly. Therefore, I have the right to count on your interest in my proposal; I also hope that the questions that I have posed will not be left unanswered. I am asking for that not for myself, but for the sake of Poland.

Parties Respond

LD0909214593 Warsaw TV Polonia Network in Polish 1730 GMT 9 Sep 93

[Text] So far, the Union of Labor [UP] and the Union of Real Politics [UPR] have answered the president's letter that was sent to 15 electoral committees that had submitted lists of parliamentary candidates throughout the country. Lech Walesa asked all parties to put forward three candidates for premiership and to answer whether they supported his program from the presidential campaign in 1990, particularly a proposal on mass privatization by providing non-cash credits [kredyty bezgotowkowe].

UP leader Ryszard Bugaj has declined from forwarding to the president three candidates for premiership. However, he said that there were many people in his party who would be capable of holding this post.

The UPR has warned that names of candidates for premiership were revealed to Walesa only.

Though most of the parties have refrained from answering the president's letter, it is known that the Democratic Union [UD] proposes Hanna Suchocka, and the Confederation for an Independent Poland—Leszek Moczulski. Waldemar Pawlak will most probably be the Polish Peasant Party's [PSL] candidate for premiership. Most parties do not want to reveal their preferences until the election results are announced. The Peasant Alliance, the Self-Defense [Samoobrona] and the Catholic Electoral Committee-Homeland reacted in a similar way to the PSL.

The Liberal Democratic Congress [KLD] say that they will reply to the president's appeal next week. The Non-Party Bloc in Support of Reforms [BBWR] intends to present three candidates for premiership in a few days time. According to Jaroslaw Kaczynski from the Center Alliance, there is no provision in the Constitution that permits the president to request the names of possible candidates for premiership. The Democratic Left Alliance [SLD] received the letter this morning. SLD leaders are campaigning in the country and will decide an answer for the president on Monday. Party "X" also received the letter today. Jan Olszewski's Movement for the Republic [RDR] plans to send only a courteous reply to the president and will not reveal candidates for premiership. Solidarity said that it did not plan to enter a government coalition in the next Sejm. [Video shows a selection of shots of various party leaders: Ryszard Bugaj and others at a news conference; UPR member speaking; Bronislaw Geremek, Hanna Suchocka, Tadeusz Mazowiecki from UD; Leszek Moczulski; Waldemar Pawlak; Sejm building; Lepper, the Samoobrona leader; Homeland members; KLD members; BBWR members; Jaroslaw Kaczynski; SLD deputy offices; Stanislaw Tyminski from Party "X"; Jan Olszewski from RDR; Solidarity leader Marian Krzaklewski]

Foreign Minister Favors Cooperation With Russia on Katyn

LD0909185893 Warsaw Radio Warszawa Network in Polish 1700 GMT 9 Sep 93

[Text] According to Foreign Minister Krzysztof Skubiszewski, cooperation between the appropriate bodies of Poland and Russia with regard to the crime committed against Polish officers in the Soviet Union is of primary importance because of the need to obtain complete documentation and to have access to all existing evidence of the crime. This information was provided by Wladyslaw Klaczynski, head of the Foreign Ministry [MSZ] Press and Information Department.

The MSZ communique also states that this cooperation has already borne significant fruit and must be led to a successful completion. Any break in this cooperation or its slackening will be to the detriment of the complete clarification of the crime and its circumstances.

U.S. Rejects Government Note on 'Rifle Affair'

WS1009112693 Warsaw Radio Zet in Polish 1030 GMT 10 Sep 93

[Text] This morning, the U.S. Government rejected two notes sent by the Polish Government concerning the release of five Poles charged in the so-called rifle affair. According to the Americans, the case of the Poles is purely a legal matter, not political. In this connection, the U.S. Government cannot defend them.

Zbigniew Lewicki, director of the Department of North and South America at the Ministry of Foreign Affairs, claims that the U.S. response does not exhaust possibilities for further intervention by Poland, this time in the court of appeals. We were counting on the friendliness of the U.S. Government, however, we have received a formal answer, said Lewicki today.

Walesa Says Elections May Bring Changes

LD0909173893 Warsaw TVP Television First Program in Polish 1500 GMT 9 Sep 93

[Report from Katowice by correspondents J. Nachel and E. Pietak; relayed on Warsaw TV Polonia Network]

[Text] President Lech Walesa gave an interview today to journalists from the Polish Television division in Katowice. In connection with the forthcoming parliamentary elections the president said, among other things: I would like to repeat that everything that is wrong with the government or the president can be changed in a democratic country, by elections, as can people and programs. There is no other way. So, do understand this as soon as possible and start implementing the main slogan: democracy. Wake up and start defending your interests and solving Polish problems because nobody will do it for us, the president said. [video shows Walesa sitting at a table with two journalists sitting opposite; close-up of Walesa]

Suchocka: Role of Entrepreneurs in Economy Growing

LD0809193093 Warsaw PAP in English 1722 GMT 8 Sep 93

[Text] Warsaw, Sept. 8—Prime Minister Hanna Suchocka on Wednesday [8 September] during a meeting with about 100 representatives of Chambers for Industry and Commerce pointed to a growing importance of the role of entrepreneurs and managers in the economic life of the country and a decreasing role of the state.

According to the PM, only the ability of good cooperation between the state, employers and employees conditions the economic growth of the country.

The state's assistance to economic growth of the country is linked to the state budget's capabilities and the budgetary spendings still exceed the revenues. Next year 70 percent of expenses will be devoted to pensions and pays for the budget sector.

According to Ms Suchocka, it is impossible to increase the budget revenues through increased taxes. Only the richest European countries can afford higher taxes for citizens and entrepreneurs and they come into trouble due to that. Unjustified issue of money may cause higher inflation and a decrease in investments.

The PM announced that next year only credits to agriculture and housing construction will be subsidized.

Speaking about the economic situation of the country Hanna Suchocka stressed that Poland has been recording an industrial production growth for a few months and is an exception on the map of Europe hit by recession and particularly as compared to countries of our region which resigned from a centrally planned economy and are building a market economy.

The PM emphasized that competence and a sense of responsibility of economic elites decide whether the nation's work serves to multiply its achievements or is a wasted endeavour.

Former KGB General: Jaruzelski Not Guilty of Charges

LD0909180793 Warsaw Radio Warszawa Network in Polish 1600 GMT 9 Sep 93

[Text] To accuse Wojciech Jaruzelski of asking the Soviet Union for military assistance in bringing order to Poland in 1981 is totally mistaken, and stems either from ignorance or from a marked sensation-seeking ill-will, says retired KGB General Vitaliy Pavlov, former head of the headquarters of Soviet intelligence in Warsaw.

Pavlov, who considers himself to be one of the better informed people as far as Polish-Soviet relations from those times are concerned, is skeptical about the hitherto secret documents from the CPSU archives that are now being made public.

Chamber of Deputies Condemns UDMR Memorandum

AU0909195993 Bucharest Radio Romania Network in Romanian 1700 GMT 9 Sep 93

[Text] During today's session, the Chamber of Deputies discussed the memorandum forwarded to Council of Europe Secretary General Catherine Lalumiere by the Democratic Union of Hungarians in Romania [UDMR]. Discussions on the document were opened by National Romanian Unity Party [PUNR] Deputy [name indistinct].

The standing bureau of the Chamber of Deputies and the leaders of the parliamentary groupings in that chamber decided that each political party should officially express its position on the memorandum. They also decided that the minutes of the discussions should be sent to the Council of Europe.

During the discussions that followed it was established that the document has not been sent through the adequate channels, because normally it should have been presented to Romania's Parliament first. [passage indistinct] It has been also established that this action proves that the radical wing of UDMR has won a victory against the democratic wing of that party.

The speakers pleaded for a better cohabitation by means of dialogue and also suggested roundtable talks, during which, without violating certain stipulations of the Constitution, the concept of Romania being a national, unitary state should be discussed.

The representative of the UDMR defended the contents of the memorandum, saying that it is part of the political program of his party.

Roman Urges UDMR To 'Reconsider' Position

AU1009143193 Bucharest ROMPRES in English 0811 GMT 10 Sep 93

[Text] Bucharest ROMPRES,10/9/1993—While on a visit in Bihor County, PD(FSN) [Democratic Party (National Salvation Front)] President Petre Roman, accompanied by Eugen Dijmarescu, vice-president of the Senate, and Florian Bercea, deputy, told the local ROMPRES correspondent that "the so-called problem of Transylvania must stop being a problem. Those who feel a nostalgia for history's times of grief and injustice should know that the Romanian people was an occupied nation and its territory invaded. Minorities in Romania enjoy the status and rights in line with international standards, they keep the pace with the development of democracy in Romania, which shows the Romanian society's willingness to live a normal life, in understanding with all the minorities that live on Romanian territory."

In Mr. Roman's opinion, the memorandum officially conveyed by UDMR [Democratic Union of Hungarians in Romania] to the Council of Europe, but unfortunately kept confidential from all the political forces in Romania, "may be interpreted as an ultimatum, if we consider the fact that Romania has reached the last stage before her admission to the Council of Europe.

"Therefore we think that UDMR should reconsider its position, adopt a realistic one and stop looking melancholy to what used to be crooked and repulsive in the history of Romania, and start accepting an open cooperation, a cooperation finally honest, so that the so-called problem of Transylvania may never appear in the international political arena."

Melescanu Praises Dialogue With Hungary

AU1009075693 Bucharest ROMPRES in English 1933 GMT 9 Sep 93

[Text] Bucharest ROMPRES, 9/9/1993—"We believe that this dialogue will contribute to defending the fundamental interests of our countries and will give impetus to good-neighborhood relations between the two countries according to principles underlying the United Nations Charter and the Final Resolution of the Conference for Security and Cooperation in Europe," said Romanian Foreign Minister and Minister of State Teodor Melescanu, commenting on the proximate [coming] official visit in Romania of his Hungarian counterpart, Minister Geza Jeszenszky.

"We understand the preoccupation of the Romanian political forces, of the Romanian National Unity Party for the Romanian-Hungarian relations, especially in this period preceding Romania's admission to the Council of Europe. We are certain that the European spirit at work in the Romanian diplomacy and by the Hungarian one, which we have no reasons to doubt, is alien to ultimative [ultimatum-like] practices or other obsolete instruments of diplomacy which might have existed before World War II and the CSCE foundation," Minister Melescanu said.

The foreign minister also said that the upcoming Romanian- Hungarian dialogue was to be part of a sequence of consultations of the Romanian diplomacy with all European states beginning with the neighbors. "The talks in Bucharest will approach all the issues included in the 'aide-memoir' worked out by the two foreign ministries, as well as the main political treaty between Romania and Hungary which is being negotiated," said Minister Melescanu.

Privatization Agency Head Dochia Resigns

AU1009090093 Bucharest ROMPRES in English 1107 GMT 9 Sep 93

[Text] Bucharest ROMPRES 9/9/1993—The head of the National Privatisation Agency, Aurelian Dochia, handed in his resignation on 8 September. He motivated it as done with the intention to make it easier for the government to make a decision now that discussions are in progress for the setup of a privatisation ministry.

The latest criticism of the government's slow actions towards reform and privatisation brought about, as a chain reaction, several dismissals and resignations. Among the notable ones is the withdrawal at the end of August of Misu Negritoiu, minister of state and main strategist of the reform, from the chairmanship of the Council for Reform, and the dismissal, soon after, of Emilian Ijdelea, the chief of the Romanian Development Agency (ARD), a government body.

Pensioners Said to Live Under Subsistence Standards

AU1009143093 Bucharest ROMPRES in English 0944 GMT 10 Sep 93

[Text] Bucharest ROMPRES, 10/9/1993—According to latest statistics by the Labour and Welfare Ministry, over 60 percent of the Romanian retirees live under the subsistence standard. Their pensions range between 18,000 and 25,000 lei. In Bucharest, the same report shows, 35 percent of the retirees live on incomes below decent standards. Most of the small-pension holders are former farm workers, craftsmen formerly enrolled in cooperative associations, and successors.

Like with many other social segments, the time since the overthrow of Ceausescu's communist regime has brought a deterioration of the living standard caused by the difficulties of the transition to a market economy.

The cabinet led by Premier Vacaroiu and his Ministry of Labour and Welfare initially proposed in its economic reform strategy additional welfare measures, harmonised with price rises, for the 3,126,000 retirees of Romania.

Although considered insufficient, the measures taken so far did raise the pensions, especially for those who, upon retirement, complied with age-limit and length of service criteria. The most recent increment of all pensions, that allocated an extra 15-20 percent to all pensions, effected on 1 August, also included new categories of retirees: servants of the Romanian Orthodox Church, cooperative associates, members of writers, artists, composers unions and others.

The raise of 1 August required a supplementary budget allocation of 70 billion lei for the basic pensions and of 22 billion lei for pension supplements.

Foreign Media Bulletin: Balkan Crisis 10 September

WA1009173893

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Military rebellion in Bosnian Serb ranks in Banja Luka ... Serbs continue expelling Muslims, using chemical agents ... Izetbegovic's talks with Clinton viewed favorably ... UNPROFOR Commander Cot welcomes possible deployment of U.S. troops ... Serb assembly in Bosnia rejects UNPROFOR's airport withdrawal request.

MILITARY

'MILITARY REBELLION' IN BANJA LUKA (Belgrade Radio, TANJUG): Rebellion in Banja Luka reportedly by "most elite unit" of Bosnian Serb troops. Troops said to be angry at "war profiteers," demanding authorities "do what they must" to provide for troops and their families, arrest profiteers. Soldiers promising "no bloodshed, absolute peace" in streets of Banja Luka. (AU1009094893, LD1009155693

SERBS CONTINUE EXPELLING MUSLIMS, USING CHEMICAL AGENTS: Sarajevo Radio reports continued "ethnic cleansing" by Serbs in northeast Bosnia. Chemical agents reportedly used against Brcko. (AU0909164093, AU1009094193)

DIPLOMATIC

IZETBEGOVIC'S TALKS WITH CLINTON VIEWED FAVORABLY: Sarajevo Radio reports Izetbegovic's visit with U.S. President Clinton "useful, even welcome." Clinton praised for "consistency" in realizing who is "to blame." Izetbegovic using "diplomatic pressure" in asserting that his people are tired of "moral victories" and need "bread, ammunition." (AU1009103593, AU0909200893)

COT WELCOMES POSSIBLE U.S. TROOP DEPLOYMENT: TANJUG reports UNPROFOR Commander Cot "especially happy" with Clinton promise to send U.S. troops to join peace force in Bosnia. Cot underscored that U.S. troops would only be deployed after a cease-fire is "stabilized." (LD0909161293)

SERB ASSEMBLY REJECTS UNPROFOR WITHDRAWAL REQUEST: TANJUG reports Bosnian Serbs rejected UNPROFOR request for Serbian withdrawal and redeployment of "some of their units" from Sarajevo airport. (LD0909170993)

'Military Rebellion' in Bosnian Serb Ranks

Blockade in Banja Luka

AU1009094893 Paris AFP in English 0933 GMT 10 Sep 93

[Text] Belgrade, Sept 10 (AFP)—Tanks and armoured cars were blocking the centre of the Serb-held Bosnian town of Banja Luka on Friday in what appeared to be a rebellion by soldiers returning from the front against "war profiteers", the Tanjug news agency reported.

It is the first military rebellion in Bosnian Serb ranks since the outbreak of war in Bosnia-Herzegovina.

The agency said armed soldiers had taken up position in front of main buildings, including the headquarters of the security services and the radio station.

Radio Banja Luka broadcast a statement from the soldiers saying they intended to wage a "decisive battle" against all the citizens "who have increased their wealth with the blessing of the powers that be, leading an easy, even luxurious life behind the lines" while they were fighting on the battlefronts.

A resident of Banja Luka, in the west, contacted by phone said the army controlled all road access to the town.

Army Unit Making 'Social Demands'

AU1009092993 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 10 Sep 93

[Bozidar Veljkovic telephone interview with Milos Solaja in Banja Luka on 10 September—live]

[Text] [Veljkovic] A short time ago we received via TANJUG the following piece of information:

This morning saw the center of Banja Luka and several vital buildings, including the Security Center, and Radio Banja Luka, blocked by tanks, armored vehicles, and armed members in uniforms. There have so far been no details announced about this blockade, except for Radio Banja Luka broadcasting a statement signed by Ostoja Zec, commander of the crisis headquarters. This is why we have telephoned the First Krajina Corps Press Center. Hello, are we on the line?

[Unidentified voice] Yes, you have. Good day.

[Veljkovic] Who is that? Good day.

[Unidentified voice] Milo Solaja, reporter in the First Krajina Corps Press Center.

[Veljkovic] Colleague Milos, what is going on? What does this TANJUG piece of information mean?

[Solaja] It means all that can be said about it for the time being. The situation is this: At about 0630 [0430 GMT] this morning several armored vehicles, transporters, blocked the most vital intersections and halted in front of Radio Banja Luka, the Security Center, Television Banja Luka, and several other places. The same statement has been broadcast since early morning, expressing a certain dissatisfaction of the fighters who have been on the front lines so far.

[Veljkovic] What are they dissatisfied with? What are they protesting against?

[Solaja] Well, there has been talk for days now about a similar action, and the whole city almost knew that it would happen. The point is that they are dissatisfied with their status. As is known, and their statement says as much, many of them have left behind their homes, mothers, children, and so on, and they return without almost anything, as this war has impoverished the country and the economy, and so on, so the fighters have found it hard to endure this social pressure.

[Veljkovic] Are they stating any demands?

[Solaja] They are particularly angry at the war profiteers, and those who have become rich thanks to their fight. While they fought on the front lines, many took advantage of that time to gain considerable riches through the Mafia, the black market, and other methods. They are particularly angry with them. In that sense, they are putting demands to the authorities to do what they must do to provide for them and their families, and to deal with these war profiteers. There are no concrete demands, who it is about, but there must be something like that behind this statement.

[Veljkovic] That means that this is not a political protest, political action, but rather the social moment is the only reason to have prompted our fighters to take such a step.

[Solaja] That is absolutely the case, because if it were not, the front lines would be in danger. At the moment the only thing that can be said with certainty is that the front lines are perfectly precise and correct, all the more so as there has been a rumor—even though we cannot confirm it—that this is the 16th Brigade, the most elite unit of the First Krajina Corps. Since September 1991, this unit has practically carried the war on its shoulders, and this 16th Brigade is still at the moment holding the same positions with all its equipment and men. So there are only with a group of people they could count on, and some others perhaps, and are trying to express their social protest and their social demands, which are perhaps not illogical in war [sentence as heard]. Perhaps the authorities or whoever should have found other ways of distributing the modest material goods that we have today, but it [words indistinct]

[Veljkovic] Is anybody talking, or—let me use the word—negotiating with them? Are they in touch with some representatives of the authorities, or military bodies?

[Solaja] Well, the representatives of the military bodies are certainly among the fighters already. However, as much as they are held accountable by their superiors,

they are also held accountable by their fighters, and there has been no information from that circle. The representatives of the crisis headquarters, for which we still do not know who or what it is, are asking for contact with the authorities, but—whether deliberately or by chance—today the assembly is in session in Pale, so most people who are the authorities, or can negotiate on the behalf of the authorities...

[Veljkovic, interrupting] Are absent from Banja Luka at the moment.

[Solaja] Yes, so that is the....

[Veljkovic] Colleague Solaja, how are the Banja Luka people taking this step by the soldiers?

[Solaja] I must say that in the statement by the crisis headquarters issues a promise that there will be no firing, no bloodshed, that there will be absolute peace, and that anyone who has no problems, can freely move, and that is what is happening. The traffic has been slowed down somewhat, but the people are out in the streets as usual, the institutions are mostly working. The people, of course, have come out in the streets in surprise, and they are expecting far more information than they have been given so far, and to judge by what people say, they generally agree with these social demands.

[Veljkovic] That means that we can conclude that everything is normal and peaceful and all right in Banja Luka, and that such protests—which seem to be somewhat justified—will be listened to, adopted, and that something will be done [changes thought] we have just received from TANJUG the text of the statement, which at the end says: In that name and with the most human intentions, we have decided to launch a decisive battle against all our fellow citizens who have been involved in dirty work or have allowed the same, and thus betrayed the interests of the Serbian people. This is said at the end of the statement.

[Solaja] It is generally like that. The situation is unusual, but it is certainly not explosive.

[Veljkovic] Thank you for this, colleague Solaja.

Serb Commander Issues Statement

LD1009085793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0713 GMT 10 Sep 93

[Text] Banja Luka, 10 Sep (TANJUG)—The center of Banja Luka and several vital facilities, including the security service center and the Banja Luka radio building, have been surrounded by tanks, armored vehicles, and armed uniformed soldiers since this morning.

No details of this blockade have been released so far, but Banja Luka radio broadcast a statement signed by Ostoja Zec in his capacity as "the commander of the crisis headquarters." The statement reads:

"Freedom-loving Serb nation: We—your sons, fighters from the first defense line, pushed forward by the genetic drive to defend freedom—went to this war spontaneously, quietly, and without pomp. We left our dearest ones—mothers, children, wives, houses, workplaces—stood on the bulwark of our homeland, and successfully defended our country. We and our families are stoically suffering all this and are still looking for a place in the struggle.

"Unfortunately, now, when our victory is almost certain, when we are only one step away from our goal, from the realization of our just ideals, we are returning to our homes with fear in our hearts and bitterness on our lips. We will not be hailed with deserved laurels for victors, but will be greeted by mothers and sisters wearing black scarves, by our hungry and starving children, week parents crushed by grief, and a rare friend's rare tear.

"We who have entered the history of our nation through our patriotism and knightly virtues have become beggars and strangers in our own nation and our own country because, while we were fighting in the war, most of our compatriots—age old and newly developed surrogates of the Serb being, dexterous manipulators blessed by the present authorities—have been accumulating riches and realizing their corrupt political dreams in leisurely, often luxurious life in the rear of the fighting.

"Who cares that they dodged military service in various ways, that they are desecrating the graves of our dead comrades and preparing for us new Golgothas and Bare Islands [political prison in Adriatic sea]. Because of all this and with the most humane intentions, we decided to launch a resolute struggle against all our compatriots who have been engaged in or have made possible dirty business, thus betraying the interests of the Serb nation," the statement concludes.

Silajdzic 'Not Optimistic,' Fears 'New Crisis'

AU0909180193 Vienna Oesterreich Eins Radio Network in German 1600 GMT 9 Sep 93

[Harmut Fiedler report on interview with Bosnian Foreign Minister Haris Silajdzic; Silajdzic statements in English with superimposed German translation; place and date not given—recorded]

[Text] [Fiedler] Foreign Minister Alois Mock was scheduled to meet with Bosnian Foreign Minister Haris Silajdzic this afternoon. They wanted to discuss the faltering dialogue about the possibilities of achieving a settlement on Bosnia-Herzegovina's future through negotiations. In an interview with Austrian radio, Silajdzic stated that he is not optimistic about an early return to Geneva unless the other two parties—above all, the Serbs—make substantial concessions.

The Bosnian Government does not want to continue the peace talks in Geneva as long as its territorial claims are not recognized.

[Silajdzic] I think we are heading toward a new crisis. I do not believe that we will soon return to Geneva. I do

not expect this—unfortunately. We are naturally ready for talks at any time. However, this does not mean returning to Geneva. We can hang around there for months without anything of substance happening. What we had hoped for was that our demands for an improvement of the maps that have been drafted would be met.

[Fiedler] The Bosnian Government headed by Alija Izetbegovic broke off negotiations in Geneva a week ago because the Serbs and the Croats were not willing to grant additional territories to the Muslims in the south and the east of the republic. They wanted about 3 percent in addition to the 30 percent with which the Muslims, the largest ethnic group in Bosnia, should content themselves. According to Foreign Minister Haris Silajdzic, the Muslims will not continue the negotiations without a concession on this issue. Silajdzic has no illusion about President Izetbegovic's most recent request for U.S. intervention. Izetbegovic did not receive more than expressions of sympathy—both from the UN Security Council and from President Bill Clinton. For his part, the Bosnian foreign minister has tried to win support in Moscow over the past few days. His sober resume is as follows:

[Silajdzic] For a year and a half now we have been under pressure to accept Bosnia's division into three parts. Alone we cannot defend ourselves against the military attacks. As you know, I have just returned from Moscow. Yet after all the talks I held there, I can tell you that I am not very optimistic.

Results of Izetbegovic Talks With Clinton Viewed

AU1009103593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 10 Sep 93

[Erol Abdovic report from New York]

[Excerpts] The results of President Izetbegovic's and Ejup Ganic's four-day visit could be assessed as being useful, even welcome. Although some of the newspapers here—like this morning's edition of THE NEW YORK TIMES —hurried to publish that Clinton had smoothly rejected Izetbegovic's requests for air strikes [words indistinct] of the perpetrators of the ethnic cleansing of territories, President Izetbegovic—according to many distinguished commentators—had nevertheless managed to extract at least three promises from the U.S. President.

With these promises Clinton has—in his months-long radical inertia in solving the Bosnian drama—come closer than ever before. [sentence as heard] First, the United States will participate in the implementation of the peace solution once it is reached through the Geneva or some other—the words most frequently used are fair and correct—agreement. This means that Clinton's statements made yesterday—and we can confirm this after yesterday's [word indistinct] in the White House—have practically launched his campaign to get the necessary majority in the Congress, and to have this highest U.S. legislative body grant him permission to send 30,000 U.S. troops to central Bosnia.

Second, last night in Washington President Clinton told President Izetbegovic and Dr. Ganic that the button for air strikes which would—providing the UN Security Council decides on this course of action—[words indistinct] lift the blockade of the besieged cities, would once again be transferred to the NATO command. This was automatically interpreted here as Butrus-Ghali's loss of his formerly exclusive right to do so. We need not grieve this fact.

Third, the United States does not believe that the possible signing of the partitioning of Bosnia into three state units within the framework of one republican union will relegate the Bosnia-Herzegovina issue to history and onto the last pages of the boring and [word indistinct] world crisis. On the contrary, they are keeping open the possibility of a selective lifting of the arms embargo for the Sarajevo government. Moreover, although Washington is on the side of those who wish to immediately shut the Pandora's box in which a classic Balkan brutality bubbles, the State Department is openly expressing its inclination toward the idea that this fragile peace must be fiercely guarded with arms for some time.

Without beating about the bush we need to say that they see the incumbents of the central, Bosnian, republic sovereignty as the main, and in basic moral principles, untainted guardian of this union. [passage omitted]

Upon their return to New York, President Izetbegovic and Presidency member Ejup Ganic, accompanied by Ambassadors Sacirbey and Misic, held talks with UN Secretary General Butrus-Ghali. The Bosnian delegation expounded on all the well-known complaints pertaining to his personal opportunism, including the breach of the UN Charter by not respecting some 40 resolutions. The UN secretary general diplomatically mitigated the complaints. However, at some moments he showed uncertainty when searching for answers to neutralize the Bosnian arguments. Moreover, Butrus-Ghali spoke of the enormous financial problems of the international organization and called into question the deployment of 40,000 UN Protection Force troops planned for the realization of the peace plan in Bosnia. However, the impression that is constantly reconfirmed here in the United Nations is that all such decision go through Capitol Hill.

This morning President Izetbegovic and Ejup Ganic left New York for Jeddah, where they have been invited by the Saudi King Fahd.

This was Erol Abdovic reporting for Radio Television Bosnia-Herzegovina from the United Nations in New York.

U.S. 'Consistency' Praised

AU0909200893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 Sep 93

[Erol Abdovic report from New York]

[Text] Half an hour after midnight according to Bosnia-Herzegovina time [2230 GMT], U.S. President Bill Clinton met President Izetbegovic and Dr.[Ejup] Ganic in the White House Oval Office. This meeting was also attended by U.S. Secretary of State Warren Christopher and National Security Adviser Anthony Lake. Although, by all accounts, this one was more of a friendly meeting than a discussion meeting [sastanak dogovora], something that was contributed to by an extremely festive atmosphere and an extraordinarily large number of journalists who could not satisfy their professional curiosity within the two minutes that they were allotted for a meeting with the two statesmen, one has the impression that the message from that meeting is too strong and this time too clear not to be able to reach—as it was put here in Washington—both Belgrade and also the official Zagreb. The very fact that the U.S. President received the head of the Bosnian state, and not Tudjman or Milosevic, again stresses the U.S. consistency in realizing and understanding who is to blame in this war and to what extent they are to blame.

However, the exhausted population of Bosnia-Herzegovina is threatened by another winter and so at the start of the meeting our delegation asked President Clinton to take the most specific measures and—be it unilaterally or within NATO—be the first to set out to lift the siege of Sarajevo.

In sentences that, apart from courtesy, to a much greater extent included demands and that which could together boil down to, so to speak, a very humane assertion that we are tired of moral victories and that the population must have enough bread and the fighters enough ammunition, a powerful and practical impact and influence was exerted on the U.S. President through diplomatic pressure.

President Clinton did not exclude the possibility of air strikes to life the sieges of towns and to deliver humanitarian aid. President Clinton did not dispute a single remark, particularly not the lifting of the arms embargo. Nor did President Clinton rule out sending U.S. Marines to Bosnia, who would preserve the peace reached at the peace negotiations among the sides to the conflict.

However, President Clinton failed to give any firm guarantee that he is going to use the U.S. military machine independently to solve the problem in Bosnia-Herzegovina on the side of those oppressed people whom he absolutely correctly recognized and realized as such.

In the situation in which a radical move is expected in the wake of the Clinton-Izetbegovic summit, it seems that a realistic U.S. contribution after the Washington round of the Geneva negotiations will be that the State Department will become more specifically engaged in exerting pressure on Belgrade and Zagreb, in having the maximum necessary (?fair) solution, a correct map to the benefit of the so-called Bosnian republic, and in having the war stopped at the lines of separation of the proposed union. The Americans seem to be of the opinion that this union may exist and that they can incite coherent political and state processes by developing their own strategy of support to the central Bosnian republic.

In his meeting with President Clinton, President Izetbegovic was told that there can be no amnesty for war criminals and that despite the fact that they met with our delegation at peace negotiations, such a kind of media popularity does not reduce their guilt nor will it influence the independence of the courts.

Before they parted, President Clinton announced great U.S. investment plans in the future Bosnia-Herzegovina and that the Geneva negotiations should resume. However, they should resume until a just peace is reached and, as it was put, a certain territorial division was agreed that would serve to halt the war even if only temporarily.

The meeting lasted more than one hour.

Karadzic Urging Approval of Geneva Plan

AU0909151493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 9 Sep 93

[Risto Djogo report on the Bosnian Serb assembly session]

[Text] The session of the People's Assembly of the Serbian Republic [of Bosnia-Herzegovina] opened in Pale today. Several bills are on the agenda. Special attention will be devoted to the issues concerning internal policies. This has been the subject of closed door discussions by the Main Committee of the ruling Serbian Democratic Party and the deputy caucus for two days. Although there was no official statement, we learned that a discussion was held on the work of some ministries and the emergence of lawlessness in some parts of the Serbian Republic.

Radovan Karadzic, president of the republic, today proposed that the assembly send an appeal to the Muslim side to sign the Geneva peace documents as soon as possible so that the residents of the former Bosnia-Herzegovina do not go through another winter of war. The Serbian side has made sufficient concessions, and there is no reason for the Muslims to reject the compromise for a just peace, Radovan Karadzic said.

There is no fierce fighting on the Sarajevo front, but people are still being killed. A mortar attack on Mijatovica Brdo and small arms fire from Muslim fighters resulted in the death of a Serbian fighter. There was firing on Covrle from the direction of Vrbovik. One 82-mm bomb landed on [name indistinct]. Small arms

fire is also being directed on Dobrinja 1 and Dobrinja 4 from the direction of a Muslim stronghold in Dobrinja 3. In Grlica, one fighter was killed by sniper fire, despite the fact that the Muslim side signed a paper in Geneva that snipers will no longer be used.

Bosnian Leaders Meet With UN Secretary General

LD1009082593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0600 GMT 10 Sep 93

[Text] On their return to New York [from Washington], President Izetbegovic, Presidency member Ejup Ganic, and Ambassadors Sacirbej and Misic had a meeting with UN Secretary General Butrus-Ghali.

The Bosnian representatives voiced all well-known objections to Butrus-Ghali's personal opportunistic attitude, including the violation of the UN Charter by not honoring about 40 resolutions. The secretary general was diplomatically apt in playing down the objections, but occasionally hesitated to find an adequate answer to neutralize Bosnian arguments.

In addition, Butrus-Ghali spoke about the United Nations' enormous financial problems questioning even the deployment of the 40,000 UN Protection Force soldiers planned to implement the peace plan in Bosnia. However, the impression constantly confirmed here in the United Nations is that these decisions go via Capitol Hill.

Izetbegovic and Ganic left New York this morning on a regular flight for Jeddah at the invitation of the Saudi King Fahd.

Cot Welcomes Possible Deployment of U.S. Troops

LD0909161293 Belgrade TANJUG in English 1450 GMT 9 Sep 93

[Text] Zagreb, September 9 (TANJUG)—The commander of the United Nations Protection Force in former Yugoslavia (UNPROFOR) General Jean Cot on Thursday welcomed the promise given by U.S. President Bill Clinton to send U.S. troops to join the peace force in war torn Bosnia-Herzegovina.

"I am especially happy that the United States can send ground troops to Bosnia-Herzegovina," Gen. Cot told a press conference in Zagreb, as quoted by REUTERS. "The more they send the better off we will be," he said.

Gen. Cot underscored that U.S. troops would probably go to Bosnia only after the three warring sides—Bosnian Serbs, Moslems and Croats—sign the peace agreement and when a cease-fire is stabilized.

The peace talks on Bosnia-Herzegovina were interrupted in Geneva on 1 August after Bosnian Moslem leader Alija Izetbegovic refused to sign the peace accords, demanding new territorial concessions for Moslems.

Commenting Clinton's statement that the U.S. troops would be included in the peace force under a NATO command and not a U.N. command, Gen. Cot said that this was something that the U.N. Security Council and NATO would have to decide.

Muslims Continue 'Provocations' in Northern Bosnia

LD1009121193 Belgrade TANJUG in English 1124 GMT 10 Sep 93

[Text] Doboj, Trebinje, Sep 10 (TANJUG)—Moslem formations have continued strong attacks and provocations over the past 24 hours on the fronts in northern Bosnia, Bosnian Serb military sources said on Friday.

On the Maglaj battlefront, Moslem forces made strong 82-mm and 120-mm mortar attacks upon Bosnian Serb positions. They used infantry arms on the Trebava and Teslic battlefronts, and small arms for provocations on other fronts.

Serb fighters did not respond to Moslem provocations on the Doboj and Zavidovici fronts.

There were no stronger clashes on the Herzegovina front on Friday morning, Bosnian Serb Information Service said.

Moslem forces' sporadic fire from infantry and light anti-aircraft arms was reported in the northern section of the Herzegovina front, but Serb troops did not respond.

The Serb command in Herzegovina warned, however, that regular units of the Republic of Croatia in the southern part of the front, and Bosnian Croat troops in the western part of the front were being conspicuously reinforced with freshly mobilized troops and moved-in weaponry.

Serb Assembly Rejects Airport Withdrawal Request

LD0909170993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1613 GMT 9 Sep 93

[Text] Jahorina, 9 Sep—(TANJUG)—The deputies of the national assembly of the Srpska republic [RS] in Bosnia today rejected UNPROFOR's [UN Protection Forces] request to withdraw some of its units from Sarajevo airport.

UNPROFOR has requested that some of its units be withdrawn from the airport area and be redeployed in the area of the [suburbs] Hadzici, Grbavica, and Rogatica.

[RS] President Radovan Karadzic told reporters that a debate on the peace plan will not be resumed at this assembly session because the RS had accepted the proposed accord, and considers the Geneva talks to be over.

The deputies reviewed and adopted several legislative acts at the assembly session that ended late this afternoon. They also elected Predrag Nikolic director of the "Glas Srpski" publishing house of Banja Luka.

As yesterday's conclusions of the Main Committee of the Serb Democratic Party [SDS], which criticize the inefficiency of certain government bodies and services, had been presented to the assembly, President Karadzic told reporters prior to the beginning of the session that the SDS, as the party in power, has good reason to be disenchanted, because certain bodies have displayed inefficiency in their work, so certain state institutions have to be revitalized in order to strengthen these bodies.

His statement is being interpreted as an intimation of changes in the government.

Serbs Expel Muslims From Homes in Brcko Region

AU0909164093

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1300 GMT on 9 September in its 32-minute newscast carries reports on events in the republic.

A studio announcer says that "the region covered by the Third Corps continues to be the scene of the fiercest aggression. Apart from an entire arsenal of the heaviest artillery, the fighters of the Croatian Defense Council and the Croatian Army are also using newly devised [novokomponovan] [word indistinct] bombs, which have a great destructive power. They have been attempting infantry breakthroughs from Vitez into the surrounding regions. They are also shelling the area around Zepce with the heaviest caliber weapons and some civilians have been wounded. The eastern aggressor is constantly shelling Brcko and Gradacac and 15 helicopters overflew the Bijeljina-Pelagicevo line. The joint aggressor is shelling Maglaj."

Hamiz Deronjic reports from Brcko about "the continuation of the process of ethnic cleansing carried out by the Serbian Nazis on the territory under their control. Under threats of violence by the Serbian occupiers, 76 Muslims had to leave their homes in Bijeljina, Janjari, Bratunac, (Klakarica), and Skelani." Deronjic also says that "the Serbian occupiers immediately started settling Serbs into these people's homes."

A studio announcer reads a report about a news conference held "today" at Sarajevo UNPROFOR headquarters about "heavy fighting in the region of Vitez yesterday. The forces of the Croatian Defense Council yesterday took Bila Hill overlooking Vitez and the forces of the Bosnia-Herzegovina Army withdrew to the Travnik region. After taking this strategically important region, the Croatian Defense Council also took control of the road toward Zenica." The announcer cites an UNPROFOR spokesman as saying that "a new regulation of movement in the Igman region was introduced two days ago for the UNPROFOR troops there. According to him, clashes between the Bosnia-Herzegovina Army and the Serbian army in the Igman region have recently been taking place almost every night. As UNPROFOR troops patrolled the area between the two sides' positions, their security was threatened, and so it was decided for them to withdraw from the region that they supervise and return there in the morning."

Serbs Using Chemical Agents

AU1009094193

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 10 September carries in its regular 22-minute newscast the following reports on the fighting in the republic.

Hajrudin Sermic reports from Maglaj and says that "just as we were hoping that yesterday would be a quiet day, the inferno began around 1800 [1600 GMT] and lasted until 0200. During this period the town center and the suburbs were pounded by 70 tank, mortar, and howitzer shells of 120-mm caliber. The joint aggressor and the chetnik-ustasha forces are systematically committing genocide against these people." He adds further on that "some time before 0900 this morning mortar shells were launched at the town itself."

An unidentified correspondent from the 3d Corps Press Center reports that "with the exception of the Vitez region, where the Croatian Defense Council [HVO] continued its attacks, the other fronts in the 3d Corps zone of responsibility were relatively quiet." He goes on to say that "the region of Grbavica was once again the target of the HVO's artillery. [Words indistinct] around Stari Vitez, Dubravice, and (?Cilna) Selo." He adds that "the aggressor continued his customary activity with various types of artillery weapons on the Visoko and Breza fronts, while the afternoon hours saw frequent antiaircraft gun provocations against (?Kolog) from the region of (?Modruza). He goes on to say that the Kiseljak and Busovaca front were the site of sporadic provocations to which our defenders did not respond."

An unidentified correspondent from the Bosna Operative Group Press Center says that "one could almost say that the fronts around the Zavidovici free territory had a quiet day. The exceptions are the villages in the Rujnica region, which were pounded from Bofors, and the (?Brasevina) defense lines, which were shelled from 60-mm mortars. However, the first evening hours spoiled this impression, particularly on the left bank of the Bosna River on the Dubravice front, where the joint aggressor launched 15 shells from a mountain gun, used 60-mm and 82-mm mortars, supported by intense heavy machine gun fire. The provocations against (?Brasevina) lasted until midnight. The villages in the Krivaja River basin were pounded from a 120-mm mortar, while 82-mm mortars from (?Prsic) pounded the villages in the Hajdarevici region. The provocations died down after midnight. The defense lines are strong and stable."

An unidentified correspondent reports on the situation on the Kladanj front and says that "provocations continue to mark the Kladanj front, occasionally accompanied by mortars and artillery. The significant thing is that there is less shelling of civilian settlements and more shelling of defense lines. Our defenders are not responding." He gives a roundup of yesterday's fighting and says that "there were sporadic antiaircraft machine gun provocations from the region Spiljarska Stijena, while a 60-mm mortar in Hadzici pounded the front defense lines with (?50 shells). Dum-dum bullets were used from several chetnik strongholds. The provocations went on throughout the night. The morning is mostly quiet along the entire front line."

The Brcko correspondent Hamiz Deronjic says that "the situation on the Brcko front is standard. After provocations during the day, the enemy intensified his combat activity with the first evening hours and directed fierce fire against the positions of the Brcko defenders. The Serbian aggressor used mortars, recoilless guns, antiaircraft machine guns, and antiaircraft guns to pound the central part of the defense lines. At 2100 the aggressor fired chemical agents of the (?Tiner) type. There were no consequences. Sixty and 80-mm mortars were used to shell the defense lines in Kladje, Lipovac, Omerbegovaca, and Vranovaca. Around 2330 enemy transport helicopters flew in groups of three on the Bijeljina-Pelagicevo route. The Serbian aggressor's provocations continued unabated throughout the night. Vukovac, Dzukici, Kladje, Lipovac, the central part of the Brcko defense lines, Omerbegovaca, and Vranovaca were shelled from recoilless guns, [words indistinct], 60-mm and 80-mm mortars."

Battle Report: 28 Killed, 113 Wounded in 24 Hours

LD0909213693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 9 Sep 93

[Excerpts] It is time for the Bosnia-Herzegovina fighting roundup prepared by [name indistinct]. [passage omitted] Twenty four persons lost their lives while another 88 were wounded in the areas of Zvornik, Maglaj, Bihac, Mostar, and Sarajevo over the past 24 hours, the republican health headquarters of Bosnia-Herzegovina announced today.

Four people have been killed and 25 wounded in Sarajevo during this period.

Croats Report Serbs Attacking Karlovac Region

LD1009125493 Zagreb Radio Croatia Network in English 1205 GMT 10 Sep 93

[Text] Fierce Serbian attacks are reported on the Karlovac and Duga Resa front. The residents of Karlovac have been sent to their shelters at 1100 this morning due to a fresh artillery attack on the town.

Position of Croats, HVO in Sarajevo Deteriorating

LD0909185393 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 9 Sep 93

[Text] According to Slavko Zelic, the president of the Sarajevo Croatian Defense Council [HVO], the position of Croats and the HVO in Sarajevo is deteriorating.

This is corroborated by the fact that Muslim troops severely manhandled and detained seven HVO members for no reason whatsoever on Tuesday, 7 September, the [Bosnian Croat] Herceg-Bosna news agency [HBNA] reported this morning.

Report on 'Fierce' Muslim-Croat Fighting

LD0909163993 Belgrade TANJUG in English 1612 GMT 9 Sep 93

["Pool" item]

[Text] Belgrade, Sept 9 (TANJUG)—17 Moslem civilians and nine members of the Moslem Army were killed and 83 Moslem civilians and 45 Moslem soldiers were wounded in the fierce Moslem-Croat fighting in Mostar over the past two days, Moslem Sarajevo Radio reports on Thursday.

38 wounded and sick Moslems, 28 of them soldiers were on Wednesday evening transferred from this city in central Herzegovina to Zenica (central Bosnia) by helicopters of the U.N. Protection Force (UNPROFOR), the radio reports.

The Croatian Radio reports about the fierce infantry clashes in the Mostar valley, but does not mention casualties.

Bosnian Serb military sources report that the Bosnian Croat Army opened fierce artillery fire on the Moslem-controlled part of Mostar, on which some thousands shells fell.

Croatian local radio claims that the Moslem units are preparing a fresh offensive, in order to take the Adriatic town of Neum from the direction of the Neretva River valley.

Radio Sarajevo and Croatian Radio report on the fierce Croat-Moslem struggles in the vicinity of Vitez, Novi Travnik, Gornji Vakuf and Nova Bila, in central Bosnia.

The Bosnian Croat Army has pushed the Moslem units in the direction of Travnik, says Radio Sarajevo, whereas the Croatian Radio states that the Moslem forces have fired at Vitez more than a hundred mortar, howitzer, and tank grenades.

Five mortar missiles fell on the centre of the city of Novi Travnik injuring two civilians, reports Croatian Radio, stating that the Moslem units continue cannon and infantry attacks on Nova Bila.

Radio Sarajevo cites UNPROFOR as reporting on Wednesday about fierce Moslem-Croat fighting in the region of Gornji Vakuf.

Bosnian Croats and Moslems, formerly allies in the war against the local Serbs, have been fighting tooth and nail since the beginning of the year in central Bosnia and in Mostar. They did not stop even after the cease-fire agreement had been signed by the military commanders of the three warring sides—Bosnian Moslems, Serbs and Croats—which came into effect on July 30.

UNPROFOR Says Bosnian Croats Have Taken Hill Near Vitez

AU0909142193 Paris AFP in English 1245 GMT 9 Sep 93

[Report by Dina Neretljak]

[Text] Sarajevo, Sept 9 (AFP)—The Bosnian Croat army has captured a strategic hill near Vitez in central Bosnia, the UNPROFOR spokesman in Sarajevo, Canadian Lieutenant-Colonel William Aikman, said Thursday.

The Bosnian Croat army offensive which began in the Vitez area Tuesday continued Wednesday for the whole day, the spokesman for the United Nations Protection Force said.

Croats were attacking Bosnian army positions on the Bila hill, one kilometre (half a mile) northwest of Vitez. The British battalion observed more than a hundred Croat troops moving in tactical manner, who finally took the hill by 4:00 p.m. (1400 GMT) Wednesday.

A number of retreating Bosnian army troops arrived after that at the British battalion position from where they were taken to Travnik, a town seven kilometres (five miles) northwest of Vitez, controlled by the Bosnian army.

The British reported that the village of Grbavica, a cluster of 50 houses right behind the Bila hill, was ablaze late Wednesday.

Bosnian Croats now control the local road after they took the dominating position in the area.

In Gornji Vakuf, 40 kilometres (25 miles) southwest of Vitez, fighting resumed Wednesday, but at a lower level compared to the violence of the previous days.

Due to the fighting around Vitez Wednesday, the evacuation of the wounded Croats from Nova Bila hospital, a kilometre away from the fighting, did not take place. Instead, 17 Croat casualties from Kiseljak hospital were evacuated by Croat helicopters to the Croatian coast town of Split.

The evacuation of the Croats comes after Moslems were evacuated from the eastern bank of the Neretva river in Mostar, the main city of Herzegovina.

The Spanish battalion took out 38 Moslem casualties from the eastern bank Wednesday to Medjugorje, 20 kilometres (12 miles) south of Mostar, from where the evacuees were flown by Bosnian army helicopters to Zenica in central Bosnia.

The situation in Mostar was calm Wednesday. The Spanish battalion set up a firm base on the western, Croat-controlled bank of the river but also patrols its eastern bank.

A truck load of medicine was taken by the United Nations to eastern Mostar Wednesday, as well as a dialysis unit to a western hospital.

The spokesman for the United Nations High Commissioner for Refugees in Sarajevo, Ray Wilkinson, said UNHCR hoped to get a convoy to Mostar within a couple of days, depending on the military situation.

It is planned to get 50 tonnes of aid for each side, with 90 percent being food and the remainder plastic sheeting for winter.

A UNHCR representative who had spent several days in Mostar, reported that the local authorities on the east bank had established 13 communal points for food distribution.

UNHCR managed to get a six-truck convoy with 75 tonnes of food, escorted by the Spanish battalion, to Jablanica, a town 30 kilometres (20 miles) northwest of Mostar, Wednesday. It was due to leave the town Thursday.

The Jablanica area was quiet Wednesday, but 300 refugees, presumably Moslems, were seen fleeing from Croat-held Vrdi, a town 15 kilometres (10 miles) south of Jablanica, to Dreznica, 10 kilometres (six miles) southwest of Jablanica.

In eastern Bosnia, in the Moslem enclave of Zepa, a Ukrainian soldier was wounded in both legs and later evacuated when an anti-personnel mine exploded Wednesday.

A convoy heading for Gorazde, another Moslem enclave in the east, was stopped by the Bosnian Serbs in Podromanija Wednesday, half-way between Sarajevo and Gorazde.

Sarajevo has been without electricity since Wednesday night due to the firefight on the Zuc hill in the northern part of the city. UNPROFOR was negotiating Thursday with the Bosnian and Bosnian Serb army to get clearances for a repair mission.

Evacuation of Wounded From Croat Enclave Begins

LD0909140093 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Sep 93

[Text] About 15 minutes ago, Herceg-Bosna's news agency reported that a convoy has set off from the Franciscan hospital in Nova Bila, carrying 26 seriously wounded persons who will ferried by helicopter from Kiseljak to Split's hospitals.

Valentic Lodges Protest With UN Over Pakrac Attack

LD0809145793 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 8 Sep 93

[Text] Croatian Prime Minister Nikica Valentic has sent a protest letter to UN Secretary General Butrus-Ghali and the cochairmen of the international conference on the former Yugoslavia, Lord Owen and Thorvald Stoltenberg, in response to the crime which took place in the village of Kusonje near Pakrac.

Prime Minister Valentic says that this tragic event is truly the last straw which might bring to an end our patience. Paramilitary forces in the protected areas must know this, as well as the entire international community. The tolerance and dignity of Croatia have been stretched to the limit. This is said in a protest letter by Prime Minister Nikica Valentic.

Protest Lodged With Britain Over NATO 'Conduct'

LD0909141193 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 9 Sep 93

[Text] Deputy Minister for Foreign Affairs of the Republic of Croatia Ivo Sanader today summoned Secretary of the British Embassy Christopher Poole, because Ambassador Brian Sparrow was absent. Sanader presented Christopher with the Croatian Government's note of sharp protest over NATO Forces' unauthorized conduct in the territorial waters of the Republic of Croatia. He demanded that Britain in its capacity as coordinator of the North Atlantic alliance's naval forces pass on the protest note to other alliance members.

Following incidents taking place in recent days in the course of which NATO's helicopters and warship have intercepted Croatian ships in Croatia's territorial waters, the government of the Republic of Croatia sharply protests in its note at the overstepping of the powers granted to NATO forces by the Republic of Croatia to sail in the territorial waters of the Republic of Croatia to implement UN resolutions on sanctions against the Federal Republic of Yugoslavia. These powers necessarily require close cooperation between NATO Forces and the Ministries for Defense and Maritime Affairs, Transport, and Communications of the Republic of Croatia in all operations in Croatia's territorial waters. NATO Forces have carried out their operations in recent days without the agreement required and with no agreement from these ministries of the Republic of Croatia.

RSK Premier Vows To Retake Captured Villages

LD0909195093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1832 GMT 9 Sep 93

[Text] Knin, 9 Sep (TANJUG)—Today's Croatian aggression against Krajina [republic of Serb Krajina - RSK] took place during the talks on reaching a cease-fire agreement between the warring sides with the mediation of the United Nations, RSK prime minister Djordje Bjegovic told journalists this evening and added: "The talks once again served as a screen for aggression against Krajina."

Bjegovic conveyed his government's stand, "that the territories temporarily occupied by the ustashas [Croats] will be regained by military means."

Adding that this was "the sacred duty of all the people of Krajina, especially soldiers of the Serbian army of Krajina," the RSK prime minister concluded that "no one will be allowed again to take chunks of the Krajina territory."

Serb Krajina Army Issues Ultimatum to Croats

LD1009111793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0959 GMT 10 Sep 93

[Text] Knin, 10 Sep (TANJUG)—General Mile Novakovic, the commander of the Serb Army of Krajina, has sent an ultimatum to the Croatian side for withdrawal via General Jean Cot, the commander of the peace forces.

The ultimatum reads: "If the massacre of the Serb population in the village of Divoselo continues, if the aggressive attacks by Croatian formations do not stop immediately, and if UN Protection Forces are not allowed to enter the Serb village of Divoselo by 1300, we will start targeting all military facilities in the territory of the Republic of Croatia."

RSK's Jarcevic Protests To UN Secretary General

LD0909194393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1740 GMT 9 Sep 93

[Text] Knin, 9 Sep (TANJUG)—Slobodan Jarcevic, deputy foreign minister of the republic of Serb Krajina [RSK], has informed UN Secretary General Butrus Butrus-Ghali that the Croatian Armed Forces today crossed the RSK border and took two villages in the Gradacac municipality.

In his letter to the UN secretary general, Jarcevic says this happened at the time when the RSK Government was conducting talks in Knin with Knut Vollebaek, deputy cochairman of the Geneva conference on former Yugoslavia, about reaching a cease-fire agreement, proposed by the Croatian Government.

The government [of Croatia] has at the same time carried out an aggression against our state, says Jarcevic in his letter to Butrus-Ghali, expressing concern about the impotence of the United Nations and its Army, whose responsibility it is to protect the lives of RSK citizens and secure peace in the RSK.

It is the duty of UNPROFOR [UN Protection Forces] to expel the Croatian Armed Forces from our country by force, because Croatia will never abide by the latest UNSC [UN Security Council] resolution, just as it has

never abided by Resolution 802 after Croatia's aggression on 22 January this year, Jarcevic says in his letter.

Army Issues Statement On Fighting in Gospic

LD0909225693 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 9 Sep 93

[Text] The Defence Ministry of the Republic of Croatia has issued a special statement which we carry in its entirety:

After Serb terrorists opened strong fire on the town of Gospic at 0610, the Croatian army was compelled to respond energetically. Following a decisive counterstrike by the Croatian army and special Interior Ministry units, the terrorist groups were expelled from the wider Gospic area, more precisely from [the villages of] Divosel, Citluk, and Pocitelj. These positions are now under the firm control of the Croatian army.

Units of the Croatian army and police captured two enemy tanks, huge amounts of ammunition and equipment on this occasion.

According to the first available information, the terrorists had lost more than 50 men. Our units also neutralized the Celavac transmitter which was the Serbian terrorists' main channel of communication in these occupied parts of Croatia.

Particularly stubborn resistance to Croatian units was offered by special terrorist groups that arrived from Serbia.

After a vigorous response by the Croatian army and police, the terrorists demanded a ceasefire through UNPROFOR [UN Protection Forces]. They received the reply that operations by our side will cease after they stop destroying Croatian towns. If not, we shall be forced to respond with even greater ferocity.

A part of the area from which the terrorists were expelled and which is now under the firm control of the Croatian army and police did not even belong to the Pink Zone.

Four civilians were killed and 36 slightly or seriously wounded in the terrorist attacks on Gospic, Zadar, Ogulin, Karlovac, Otocac, and Duga Resa. The terrorists stopped attacking in the afternoon hours and it is now calm in the entire region.

Gen Cot Expresses 'Doubt' Over Continued Mandate

AU0909193593 Paris AFP in English 1911 GMT 9 Sep 93

[Text] Zagreb, Sept 9 (AFP)—Shelling by the Croatian Army and rebel Serbs in southern Croatia intensified Thursday [9 September], as the UN commander in ex-Yugoslavia expressed doubts about the future of UN operations there.

French General Jean Cot told a press conference here that "very heavy artillery exchanges" had broken out between the Croatian army and sessionist Serbs in the disputed Krajina region.

Croatian media said at least three people had died in the intensified shelling and around 10 others had been wounded.

Expressing his dismay at the upsurge in fighting Cot said: "I do not know exactly where we are going in Croatia...including the (UN Protection) force itself, which is currently experiencing extreme difficulty in Croatia over freedom of movement (and) the (free) passage of convoys."

He said he did not know what had sparked the renewed military activity.

Croatian media Thursday accused Serb forces of artillery and mortar bombardment of a swath of territory southwest of Zagreb.

Towns hit included Zadar, 200 kilometres (130 miles) from the capital, Gospic, 150 kilometres (94 miles) away, Otocac, 120 kilometres (75 miles), Ogulin, 80 kilometres (50 miles), Duga Resa, 50 kilometres (30 miles) and Karlovac 45 kilometres (28 miles).

Three civilians were killed in Zadar, Otocac and Duga Resa, said Croatian radio.

Cot said he had told Janko Bobetko, chief of staff of the Croatian army, by telephone that "the point of this renewed shelling is not who started it but how to stop it."

The upsurge in fighting comes at a time when both sides in the conflict are increasingly critical of UNPROFOR.

Croatia charges that thousands of Serb fighters have reinforced Croatian Serb forces from Banja Luka in northern Bosnia-Herzegovina.

However, Cot said Thursday he was unable to evaluate the claim because the UN force was not permitted to send military observers to the area.

TANJUG: Split Offered as Naval Base for U.S.

LD1009090793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0838 GMT 10 Sep 93

[Text] Belgrade, 10 Sep (TANJUG)—The largest warehouses in Split's northern port and industrial zone are being hurriedly emptied and cleaned in order to be ready for the logistics needs of the U.S. Naval Forces in the Mediterranean, a TANJUG reporter learned today from well-informed sources in Split.

The sources claim that Croatia offered Split to the Pentagon as a main military base on the Dalmatian coast, and it is ready to make available all other ports as well, which was the reason why certain American "businessmen" recently visited the coast from Dubrovnik to Rijeka.Franciscan hospital in Nova Bila, carrying 26 seriously wounded persons who will ferried by helicopter from Kiseljak to Split's hospitals.

During the implementation of the blockade of Yugoslavia's coast last year, Croatia made all its ports available to NATO warships.

Three Ministries Allegedly Involved in Arms Smuggling

LD0809173393 Belgrade TANJUG in English 1445 GMT 8 Sep 93

[Text] Ljubljana, Sept 8 (TANJUG)—Three Slovenian ministries—of defence, internal and foreign affairs—and their former and present officials, are involved in arms smuggling operations which had taken place via the territory of this breakaway Yugoslav republic from May of 1991 to the autumn of 1992, the Slovenian weekly MLADINA writes in its latest issue, which appeared on Wednesday.

MLADINA writes that the arms smuggling had gone on for almost two years via Ljubljana's Brnik Airport.

The first on the list of suspects is one Hasan Cengic, suspected also in the scandal involving 120 tons of arms for Bosnian Muslims, discovered at Slovenia's Maribor Airport.

The weekly alleges that the arms from Islamic countries for Bosnian Muslims were being smuggled through Brnik Airport as humanitarian aid. The operation was coordinated from Turkey by Cengic, the former imam of a mosque in Zagreb, Croatia.

A part of the money has been paid to Slovenia through the Vienna- based Bank of Austria.

That everything was not always going as it should have done can be seen from a recording of a conversation held between Cengic and Slovenian Defence Minister Janez Jansa on Septemeber 2, 1992, in which Cengic complained against Jansa's having supplied Chinese-made Kalasnikov assault rifles with deformed barrels, instead of the Yugoslav-made rifles as agreed, writes MLADINA.

Cengic paid up front to Slovenia for all arms shipments, writes the weekly.

The whole Maribor affair was blown wide open precisely because of an unpaid bill, when Jansa had had enough of waiting for Cengic to make the payment, and spilled the beans about the cargo waiting at Maribor Airport, writes MLADINA.

This is the only reasonable explanation why 120 tons of unattended weaponry had allegedly been waiting for a buyer at the Maribor Airport for months, MLADINA writes.

New Measures Taken to Protect Border With Croatia

LD0909171493 Belgrade TANJUG in English 1400 GMT 9 Sep 93

[Text] Ljubljana, Sept 9 (TANJUG)—Slovenia has raised the alert on the border with its southern neighbour, Croatia, to a higher level after the number of Bosnian Moslems' illegal crossings has increased. The Zagreb authorities have been expelling the Moslems since the Croat-Moslem conflicts escalated in central and southern Bosnia-Herzegovina.

State Secretary at the Ministry of Internal Affairs of the former Yugoslav Republic of Slovenia Bogo Brvar said on Thursday [9 September] that there has been a raise in the level of pressure on the border with the neighboring Croatia in the last few weeks.

Brvar said that there were more attempts at illegal border crossing, confirming that the Slovenian Ministry of Internal Affairs has raised the level of alert on the border.

If necessary, said Brvar, Slovenia would raise the alert to an even higher level, which presumes the highest possible level of protection.

The Foreign Affairs Committee of the Slovenian Parliament requested at Thursday's government session a prompt report on the state of the Slovenian-Croatian border after, as it is said, Croatia changed its policy towards Bosnia-Herzegovina.

The members of the said Slovenian parliamentary committee have requested better protection of the southern border of Slovenia, fearing a massive influx of Bosnia's Moslems from Croatia.

Slovenia believes its former ally Croatia to be the aggressor in the central and southern Bosnia-Herzegovina, where heavy fighting between the local Moslems and Croats has been going on for the last four months.

At the same time, an open campaign of persecution of the Bosnian Moslem refugees is led in Croatia, blaming them for the suffering of the Bosnian Croats in the fighting with Moslems in Bosnia-Herzegovina.

Federal

Simic Says Threats Will Not Change Foreign Policy

LD0909183293 Belgrade TANJUG in English 1655 GMT 9 Sep 93

[Text] Belgrade, September 9 (TANJUG)—Federal Vice-Premier Zeljko Simic told TANJUG on Thursday that the Federal Republic of Yugoslavia has been facing severe pressure and violent threats despite its consistent policy of peace-making, but that this will not waver it in the implementation of its foreign policy.

"In parallel with the unbiased and argumented support which some influential countries are openly giving to Yugoslavia these days because of its consistent peace-making policy, there are also, unfortunately, severe pressure and threats in the world media which are unprecedented in the practice of international and diplomatic communication," Simic said, who is also president of the Federal Government commission for monitoring the international conference on former Yugoslavia.

Speaking about statements recently given in an interview to the Bulgarian newspaper STANDARD by the ideological leaders of the Albanian separatist movement in Serbia's southern province of Kosovo-Metohija, Skeljzen Malici and Adem Demaci, in which they announced the outbreak of a "third Balkan war if Europe and others agree that Kosovo is an integral part of Serbia," Simic said that such statements were "diplomatically incorrect and politically extremely malicious."

Such statements and policy are devastating for members of the Albanian national minority, Simic said. "After such statements, it must be clear to everyone that the rights and freedoms of Albanians are not threatened in Kosovo, but that the sovereignty, independence and freedom of the Federal Republic of Yugoslavia are actually threatened in a flagrant manner in that province."

"However, not even such an intolerant and destructive policy of some protagonists in the Balkan crisis, foreign to any diplomatic language, will waver the Federal Republic of Yugoslavia in its attempt to persevere in respecting the principles on which its foreign policy orientation is founded," Simic underscored. "These principles are an end to the civil war in Bosnia-Herzegovina, a resumption of the peace talks in Geneva, the revival of relations and democratic dialogue with all those who respect the international and legal entity and state integrity of the Federal Republic of Yugoslavia, and with all those who respect the undeniable contribution of the Federal Republic of Yugoslavia to the stabilization of the political situation in the Balkans," he said.

Commenting a recent statement by Croatian Foreign Minister Mate Granic that the Republic of Croatia will resolutely insist on the expulsion of the Federal Republic of Yugoslavia from the United Nations (U.N.) and the Conference on Security and Cooperation in Europe (CSCE), Simic assessed it as a "certain act of aggression by Croatia's diplomacy, which does not contribute to the efforts towards improving relations between the Federal Republic of Yugoslavia and Croatia, and which warns that the normalization of relations between them does not present a mutual wish," Simic said.

Appeal Against Tightened Measures by Macedonia

AU0809122793 Belgrade BORBA in Serbo-Croatian 7 Sep 93 p 1

[B.J. report: "Macedonia Has Not Been Violating Resolution"]

[Text] Macedonia has not been violating the Security Council resolutions concerning the sanctions against the FRY [Federal Republic of Yugoslavia]. This is what Federal Economics Minister Tomislav Simovic told BORBA.

"That is why we are surprised by the introduction of additional measures by the Macedonian side, and this tightening can only affect negatively the relations between the two countries. That is why, in our mutual interest, we expect the Macedonian Government to reconsider its decision, and we appeal to it to allow goods across the border, goods meant to meet the humanitarian needs in the FRY."

Foreign Minister Sees 'Relaxation' of Sanctions

AU0909203393 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 9 Sep 93

[Interview with FRY Foreign Minister Vladislav Jovanovic by Zoran Jevdjovic; in Belgrade on 9 September;—recorded]

[Text] [Jevdjovic] Now that FRY [Federal Republic of Yugoslavia] Foreign Minister Vladislav Jovanovic has completed his visit to China, Ukraine, and Russia, we will ask him to assess this tour that in a way definitely represents the further overcoming of the diplomatic blockade in which Yugoslavia has found itself during the recent period.

Therefore, Mr. Jovanovic, what is your assessment of these three very significant visits?

[Jovanovic] I would say that this does not merely represent the overcoming of a blockade that could never have been totally successful because it departed from an unrealistic goal, but the beginning of its relaxation and abolition.

I am not saying this because I am inclined to exaggeration but because this process is closely connected to the peace process that is evidently under way in front of all of us and for which Yugoslavia is one of the most meritorious elements. In this respect we can say that all three visits pointed to Yugoslavia as an important factor

for peace and essential for the further development of the peace process. This unavoidability and constructiveness of Yugoslavia is also linked very closely to the third issue that dominated the talks, namely, the lifting of the sanctions.

This issue has simply thrust itself forward as being ripe for resolution, bearing in mind everything that has been happening in the last few months and is still happening for all of us to see and in which, as I have said, Yugoslavia is one of the most meritorious elements.

Therefore, the threats that can be heard occasionally that these sanctions could be deferred ad infinitum or linked to some other conditions are more an expression of unrealistic wishes than actual possibilities and needs. What the international community needs is not to isolate Yugoslavia further but to overcome this unjust state as soon as possible.

Primarily, they have brought the signing of the peace plan for Bosnia-Herzegovina, the end of the isolation, and the abolition of the sanctions into a very close time interdependency. This is what I particularly emphasized at the beginning, this ripeness of the issue of the sanctions. They are not merely interested in accelerating the progress within this triangle as much as possible but they themselves want to contribute more concretely, directly, and actively toward the abolition of the sanctions once the peace in Bosnia-Herzegovina is signed.

There are even expectations and efforts by some of them that they might tackle the issue of the sanctions without waiting for the signing of the peace plan for Bosnia-Herzegovina, bearing in mind that they themselves are major victims of this situation. Ukraine, for example, together with other neighboring countries, as well as all the Danubian countries, are major victims of this situation. All these countries are experiencing the sanctions, especially the latest, the so-called additional sanctions, like a knife to their throats.

[Jevdjovic] In the economic sense?

[Jovanovic] Naturally. They have a whole string of basic industries that simply cannot function because navigation along the Danube is not secure, and this can never be secure in the conditions in which one country is under a blockade, as is the case now.

There is the active belief in many of these countries to examine the issue of sanctions before peace in Bosnia-Herzegovina is restored, although everybody very much wishes that this peace would start tomorrow. We did everything we could to make this peace a reality two and a half months ago. However, as we all know, peace has been continuously undermined by various maneuvers and tricks. We are now witnessing this latest attempt, I would say, to sabotage the peace efforts, but after this final gasp, I simply do not see more ground or opportunity for the avoidance of peace.

Empty Shelves Force Stores To Shorten Hours

AU1009070993 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 9 Sep 93

[Text] Belgrade Department Stores [Robna Kuca Beograd] have not received a single gram of goods in the last 10 days and the shelves are, therefore, empty, Zivan Cosic, deputy director of this chain, has told TANJUG. For this reason the opening hours of all their department stores have been shortened. In Belgrade, they are open from 1000 to 1800 [0800 GMT to 1600 GMT], while their self-service stores are open from 0700 to 1900.

The stores in the rest of the country have also shortened their opening hours. Belgrade Department Stores is preparing other measures to alleviate the problems caused by the difficulties in the delivery of goods.

One of these measures is to send employees on a month of paid leave on an alternating basis.

Ethnic Albanian Parties Continue Secessionist Policy

LD0909154993 Belgrade TANJUG in English 1432 GMT 9 Sep 93

[Text] Pristina, Sept 9 (TANJUG)—Albanian political parties, which are active in the present and former Yugoslavia, will continue urging "an independent and sovereign Kosovo," and that Albanians in Macedonia are given the status of a constitutive nation, and those living in Montenegro and southern Serbia—autonomy.

This is the essence of an announcement from the latest meeting of the coordinating board of Albanian political parties in former Yugoslavia which was held this week in Pristina, capital of Serbia's southern Kosovo province, and chaired by Ibrahim Rugova.

A strong separatist movement has for decades been active in Kosovo, where ethnic Albanians are the majority population. It masks its aim—the secession of Kosovo from Yugoslavia and its annexation to neighbouring Albania—behind the alleged violations of human rights and rights of minorities.

Thursday's paper BUJKU, published in Pristina in the Albanian language, says that the meeting, in which the representatives of eleven Albanian parties which are active in Yugoslavia and the former Yugoslav republic of Macedonia took place, were instructed to work on the internationalization of the Kosovo issue and the Albanian question in former Yugoslavia and to affirm the peaceful orientation of the established policy.

New Opposition Alliances Expected to Emerge

AU0909114993 Belgrade BORBA in Serbo-Croatian 6 Sep 93 p 10

[Dragan Bisonic report: "New Time for New DEPOS"]

[Text] The public and unsubtle polemics between Bishop Atanasije Jeftic and Vuk Draskovic have definitely extinguished the smoldering remains of Matija Beckovic.

It is that episode, and not the gradual alienation of the two strongest parties, the Serbian Renewal Movement [SPO] and the Democratic Party of Serbia [DSS], that marked the ideological restructuring within that coalition, and it seems among the opposition itself.

Several times, Vojislav Kostunica expressed some meaningful and public reserves to Draskovic's view of the Serbian national problem. As a consequence, the other side accused the DSS of drawing near to the Serbian Radical Party, since it allegedly left the democratic opposition bloc to join the nationalist side.

Vesna Pesic, chairwoman of the Civil Association, made a sort of diagnosis and classification of the opposition in Serbia, according to which it is divided into the democratic and the nondemocratic, the anti-war and the bellicose, and consequently into an opposition that will feel ashamed tomorrow, and one that will not. To cut a long story short, the SPO, or rather certain people there, will not be ashamed, while the opposition parties like the Democratic Party and the DSS are not the genuine opposition.

An even more explicit view was expressed by Vladan Vasilijevic. Assessing that the Civil Association of Serbia and the Belgrade Circle have been the targets of everybody's attacks, starting from the Socialist Party of Serbia to the White Rose, Vasilijevic calls them the only strongholds of civil democracy, that is to say, of the future, as well. He also says that the West has raised the question of an opposition authority to which it could turn in its search for better, more civilized solutions to this part of the world, and it is the Democratic Party that first felt such Western aspirations, and, in its well-known deceitful style, called for unification with other parties.

That something is really happening among the opposition, or at least has some serious likelihood of happening, has also been confirmed by Draskovic announcement of the establishment of the active unity of the Democratic Movement of Serbia [DEPOS].

The scenario that is circulating most anticipates the creation of some new civil DEPOS, that would comprise the Civil Association of Serbia and the SPO, purified of their nationalists.

The Democratic Party, being praised by Vasilijevic for having been the first to feel the need for the unification of the opposition, has already made a practical step forward in that respect. Somehow, one would not expect it to cooperate with the SPO after everything that has happened, yet it agreed to discuss its share in the authorities, proportional to the results of the elections in the central Belgrade precincts. In those precincts, it should most probably replace the former coalition partner—the DSS.

The Democratic Party has recently repeated its demand to participate in the authorities proportional to its election results. While the coalition of the SPO and the DSS was functioning, the Democratic Party was not able to achieve that. However, after the vice-chairman of the district of Stari Grad, being also a DSS member, sent the letter in which he had accused the SPO of handing out apartments to its sympathizers and members, the SPO began to look for another partner.

Generally agreeing to take its share in the authorities, the Democratic Party demands that all those affairs be first settled, providing an opportunity for both parties to cooperate on the ditrict level. Still, it seems improbable that cooperation will be established on the higher level, since the Democratic Party, according to its leaders, wants to preserve its place at the center of the political spectrum.

At her news conference, chairwoman Pesic announced the creation of new opposition alliances.

"My impression is that the DEPOS is at its last gasp. Initiatives for founding new alliances among the opposition parties do exist, still, the negotiations are now being held on an investigative level, that is to say, they are only consultations that still do not have any concrete form for the time being," Pesic says.

Pesic also says that the cooperation among the opposition parties ought to exist in concrete actions, rather than in any large-scale unifications. That is an explanation and addition to the statements given at the news conference indicating that some new alliances are expected to come about within the opposition.

Pesic comments on the speculation that a more significant coalition with the SPO, or at least with a part of it, might ensue, with the assessment that the SPO and the Civil Association have always had good relations, ever since the time of the reformists. "That tradition has existed ever since, while the SPO has never attacked such an orientation. However, for the time being, no agreement has come about that would make those relations stronger than conventional ones," Pesic says.

Nevertheless, Draskovic himself forecasts that, quite soon, many new parties will find their place in DEPOS, despite the statements coming from the DSS claiming that DEPOS no longer exists.

West Holds 'Keys to Peace' in Balkans

93BA1434B Belgrade VREME in Serbo-Croatian 23 Aug 93 pp 12-13

[Article by Dusan Reljic: "The 'Garotte'"]

[Text] *The West is holding in its hands the keys to peace or war in the Balkans.*

The remote control of the war in the Yugoslav region has grown stronger after every new military complication. If it were not for the NATO aircraft over the Bosnian sky

and the UNPROFOR [UN Protection Forces] soldiers on Bosnian soil, the horsemen of the apocalypse would have finished their work a long time ago. The international community has put straitjackets, as much as possible, on the bloody madmen in Belgrade, Zagreb, and Sarajevo.

By deciding to tame them, it assumed responsibility for the final outcome of the war and the future state and political shape of the Yugoslav region. The West, which is usurping the leadership of the international community, is holding the keys to peace or war in the Balkans in its hands. Its only recognizable goal at this moment, however, is subduing Serbia, which, according to the coverage by leading Anglo-Saxon newspapers, the North Atlantic Pact's strategists perceive as a heavily armed, unpredictable "regional superpower" whose aggressiveness can even threaten the West's security—for example, by drawing two NATO members, Greece and Turkey, into a mutual war over Kosovo, Albania, and Macedonia.

In particular, U.S. analysts view the policy of Serbian President Slobodan Milosevic as the cause of the Western world's most serious possible troubles. Thus, William Pfaf, in the INTERNATIONAL HERALD TRIBUNE, does not hesitate to compare the significance of the present eclipse in the Balkans with the events of 1914: "What is happening in Sarajevo in 1993 is the destruction of another order, the one that has reigned in Western Europe since 1945. The result is the collapse of the Atlantic alliance, that moral and political alliance that guaranteed international order during the past four decades." Anthony Lewis, in THE NEW YORK TIMES, goes further: "The West's worst catastrophe since the Nazis is approaching its culmination. Just as many politicians and many institutions paid for their failure in stopping Hitler, many people will thus pay dearly for allowing Serbian tyrant Slobodan Milosevic to destroy Bosnia."

The grotesque exaggeration by these two authors and many of their colleagues is a reflection of the panic in Western minds over the fact that with the end of the Cold War, Europe has "thawed out" from its freeze during the half-century-long Soviet-U.S. stalemate. The continent has returned to its natural state of competition and rivalry, and the EC and other institutions intended to bring "eternal peace" are losing their strength. The Yugoslav apocalypse and Western impotence with respect to it have proven all that.

German Chancellor Helmut Kohl repeated a countless number of times before 1990 that "Europe's stasis depends on Yugoslavia's stability." His answer to Simon Wiesenthal that he should ask former Foreign Minister Hans Dietrich Genscher why Bonn supported the secession of Slovenia and Croatia cannot satisfy anyone. Equally hollow are the Western laments over the fate of Bosnia, as long as there is no answer to what else, except for a chain-reaction collapse, could have been expected to follow the break-up of Yugoslavia. There was only one choice: one Yugoslavia, whatever it was like, or else a universal Yugoslav war.

That obvious fact is being systematically treated as taboo, because consideration of it would nullify the tons of ink consumed to isolate only one culprit—the "Balkan butcher," as THE NEW YORK TIMES called Milosevic a long time ago—from the center of hatred, madness, and unscrupulousness. The deliberately chosen incorrect premise in the approach—that Milosevic is the beginning and end of the Yugoslav tragedy and indirectly the cause of the collapse of the postwar Western order in Europe—is producing a constantly incorrect policy. Its worst consequence is that it is granting longevity to Milosevic's regime and throwing Serbia into a political stone age, increasing the chances of some worse, xenophobic, extremist government in Belgrade. There are candidates, of course.

Judging by the statements from U.S. officials that in addition to ending the bloodshed in Bosnia, "there are also other preconditions" for lifting the sanctions imposed on Serbia and Montenegro, there will be an attempt to bring Milosevic to his knees and force him to accept Western dictates. The advocates of preserving the sanctions "until further notice" believe that when he is punished, he will calm down. Probably the first demands will be radical disarmament and far-reaching Albanian autonomy in Kosovo.

The West does not have the will to achieve its demands upon Milosevic by military force, and instead will continue to use the "garotte"—a Spanish device for strangling a condemned man to death. Russia was able to oppose a military strike against the Serbs in Bosnia, but it does not have the strength to get the sanctions lifted. Bulgaria, Romania, and even Albania, for whom the sanctions against Belgrade are daily reducing their prospects of being "Europeanized," are victims of Europe's indifference to the whole Balkan dead end. The result of this, as German Social Democrat Peter Gloc observed during his visit to Belgrade this week, may be that the leadership will become convinced that the West will not change its attitude regardless of how Serbia behaves. Bora Jovic told Gloc that if the United States intervenes in Kosovo, "We are ready to perish to the last man."

That is why the biggest patriotic act in Milosevic's career would be his voluntarily leaving power after a peace agreement is signed in Bosnia. It is true that even after his departure the West would currently not lift the sanctions, but Serbia would be freed of the burden that is breaking its spine day by day. It would get a chance to stand on its feet again. With Milosevic, it is condemned to life in a wasteland.

Problems With New Economic Measures

93BA1434A Belgrade VREME in Serbo-Croatian 23 Aug 93 pp 14-16

[Article by Dimitrije Boarov: "Hunting the Wind"]

[Text] *The three governments' coordinated strategy can be characterized most simply as an accelerated return to "early socialism." The only question is whether this can be carried in unheroic times by exhausted and corrupt officials. Let us hope not.*

Last Wednesday (18 August), the federal and republic governments finally published the long-announced package of measures for "radically curbing chaos in the market," but those who expected some sort of miracle did not find anything in that package that had not already been tried in vain many times. In brief, the package of "innovations" only contains a new division of jurisdiction between the federal state and the republics with respect to price controls, in which responsibility for the expensiveness of the basic "consumer basket" has finally been completely handed over to the authorities in Serbia and Montenegro. Thus, Yugoslavia will finally not always be to blame for the poverty of the broadest strata, until another order arrives. Republic Prime Ministers Nikola Sainovic and Milo Djukanovic are probably certain that by assuming complete control over the prices of basic necessities and the infrastructure they have kept the main lever of power in their own territories, and Federal Prime Minister Radoje Kontic probably breathed a sigh of relief, since not only will he continue to be powerless, but he will also no longer be the culprit.

The Government of Serbia (as well as the Montenegrin one) used its power to "maximize" prices at the 17 August level partly to "correct the disparity" of prices, i.e., to raise prices differently for the items in the consumer basket. Thus, for example, since the July "federal maximization," the price of meat has risen fivefold, and the price of bread has increased by about 30 percent. How long meat will cost two German marks [DM] a kilogram is a question that can be easily answered. There will not be any, as there has not been any to date. There will be bread, since not only has the wheat already been bought from peasants (in Vojvodina), but Montenegrin Prime Minister Milo Djukanovic has announced that one policeman and two inspectors will be sent to every bakery—to implement macroeconomic policy by standing guard next to the ovens.

Nothing About the Deficit

The devaluation of the dinar from 49 to 105 million per U.S. dollar would have been a certain "innovation" if the old "exchange rate" of highly overvaluing the weak domestic currency had not been continued again. This is because the initial price of the German mark, 62.075 million dinars, is 100 percent below the average one in black markets, and the devaluation is nothing more than an illustration of the size of the "subsidy" that will be granted to (mostly illegal) importers by the will of the state. The bombastically announced "unified bank foreign exchange market," which "is finally moving to the National Bank of Yugoslavia [NBJ]," does not mean much so far, and the statement by Deputy NBJ Governor Zarko Trbojevic that the exchange rate will be adjusted daily in accordance with events in that market is only in line with the general "state-voluntaristic" tone of the entire economic policy package for the second half of the year.

By some strange miracle, what the public expected to be a sort of "anti-inflation program" contains virtually nothing in connection with budget deficits and the issuance of uncovered money. More precisely, it contains announcements contrary to any anti-inflation policy. The deputy governor was compelled to announce that for the third quarter, the "independent" central bank approved a primary issuance of 26 million billion dinars (currently about DM260 million), and as much as 64 percent of this issuance is intended for "monetization of the budget deficit." When this primary issuance is simply "confronted" by the allegedly "controlled prices," it is clear to everyone that only two outcomes are possible. Either everything will become more expensive in an (un)controlled manner, or else all the goods will disappear from the market. In our "conditions," it is very likely that both will happen at the same time. Trbojevic says that the central bank is "aware" that the situation is such that it has to "rely on the wind."

The whole subsequent tale about "using the issuance" to support production (35 percent of Topcider's output), not automatically "but rather on the basis of persuasive production programs," is almost ridiculous from a professional standpoint. If anyone remembers Keynes's proof that production is "perfect consumption" from the standpoint of the monetary balance, it can be said that the package adopted now is not an anti-inflation but rather a pro-inflation one.

That kind of issuance policy is not without a deeper meaning and significance, however. It is completely compatible with the basic political philosophy contained in the heart of the economic policy that has been adopted now. It is simplest to call that strategy one of an accelerated return to "early socialism."

The main characteristics of "early socialism" are that "business entities" do not exist in the economy, that the basic economic decision—the decision on prices—is made by the state, that the state leadership administers the "balances" of all goods, and that there is nothing in the shops and nothing functions in the infrastructure. Serbian Prime Minister Nikola Sainovic did not conceal the fact that all the decrees had been adopted "just last night" on "mandatory production," "mandatory sale" during "mandatory working hours" at "mandatory prices" and with "mandatory wages" for employees and "mandatory social security" for the unemployed and retirees. Accordingly, the decisions on returning to "early socialism" have been adopted, and if everything that Sainovic announced is carried out, we will actually go back even further, to the "communism" of a natural community.

According to what VREME has been able to find out, this ambitious "package" of measures by the federal government and the republic governments was put together without the participation of the experts gathered in the "economic councils." If our source did not suddenly come down with serious amnesia, this package was not even discussed at the meeting of the Serbian Economic Council that was held on 16 August and chaired by Academician Ivan Maksimovic. The almost unbelievable circumstance that two days before the Serbian "package" the Serbian government's advisory body had virtually no idea of its contents is also indicated by the fact that the Serbian Economic Council, on the day it was scheduled, announced that "it had decided to prepare, as soon as possible, operational proposals for the Serbian government to curb hyperinflation and unemployment more effectively" (the Serbian Ministry of Information, POLITIKA, 18 August).

Not only was this "package" not seen by the Serbian Economic Council's members, but it was not even seen by the members of the federal economic council, and so all the assumptions about whether Kontic would decide on a "mini stabilization program" from one economic institute in Belgrade or another, or the advice of one, another, or a third well-known macroeconomist, fell by the wayside. Consequently, the announced measures do not have anything to do with any macroeconomic principles, but they contain a few, but therefore "strange," facts.

Ridiculous Facts

Specifically, one of the rare figures that Prime Minister Radoje Kontic stated quite seriously at the pompous press conference was that it had been "coordinated" among the three governments that "in the future, the total volume of personal incomes should not be higher than 18 percent of the social product," and that the difference between the lowest and highest earnings should be 1:4. It is not clear who gave Kontic that limit of an 18 percent share of wages in the social product, since any expert could tell him that that share is now at least 55 percent. Even if he was thinking of net wages, the limit is far from making sense. Does Kontic really calculate that a profit rate higher than 30 percent is possible in this economy? If this reporter's memory serves, Michael Bruno complained four years ago in Belgrade that during his anti-inflation operation in Israel, no one could "lower" the share of wages in the social product below 85 percent, which slowed the "reconvalescent" phase of the economy after the shock therapy.

We should not waste too much space on wage regulation here, however, although on television Nikola Sainovic once again ignored the question of what happens if an enterprise does not pay the now established minimum wage of 4.25 billion dinars (for July), although he said that private firms were also obliged to do so. That minimum wage, which will allegedly be constantly coordinated with every increase in the prices from the consumer basket, is not even being paid by state institutions, so there is nothing for anyone.

When the propaganda dust settles—and the old story about a package that will employ those who want to work has already started—one should review more thoroughly the list of tax changes that the Serbian government is now sending the Assembly. It appears that there are a few rational measures that would give the state administration more motivation to collect revenues by taxing financial transactions and property instead of pushing the primary issuance and counting on an issuance profit (which is now apparently moving to the federal level).

Tax policy, however, cannot do anything with monthly inflation that climbed to over 1,000 percent in August, and is being dynamically fueled by the money printing press. The clumsy Prime Minister Kontic, in an effort somehow to find some sort of theme for his policy, said in promoting this package that he was still aiming at reducing monthly inflation to 50 percent (in December). Metaphorically, he is behaving like a surgeon who promises a man who is bleeding two liters a day a therapy that will reduce the bleeding to a liter a day by the end of the year (and even the average Serb, not to mention others, only has five liters of blood in his veins). This economy cannot endure the present rate of the "bleeding" of basic capital until December, and this people cannot, as Prime Minister Sainovic thinks, with this "package," "decide in peace about its historic goals."

Although Prime Minister Sainovic was strongly supported in a state television broadcast by his energetic leader, it remains to be seen whether the troika of prime ministers can survive in their armchairs after 15 September, the day that SRS [Serbian Radical Party] leader Vojislav Seselj set as the deadline within which the authorities would have his support on the deputies' benches. Although the "package" is also stuffed with a multitude of Seselj's recipes, and thus even the police have been warned that they have to work in "three shifts" and the people have been summoned to "criticize" anyone who muddies the water (dealers, smugglers, and idiots), i.e., to report what they should where they should, the distribution economy still has to start working. Seselj will perhaps not wait to leave what he knows how to do to the ruling Socialists. The model that the authorities are establishing now also requires political enthusiasm, because "heroic realism" (Bojmler) cannot be carried out by exhausted and corrupt officials.

Force of Orders

The economic situation is hopeless, and the authorities are nevertheless not deceived by the widespread opinion that poverty in Serbia will not cause social rebellions, but are instead certainly afraid of the "despairing cry of the oppressed millions" (Rosenberg), because the "herbivorous ethic" (Spengler) has nevertheless not been developed in this area. Several other candidates, in addition to Seselj, are also being offered for the leader of this "heroic realism."

Even if the superstructure tried to stop inflation by economic means instead of political ones, it would find itself in trouble. Here, for example, is how the well-known John Kenneth Galbraith "makes fun of" all the well-known models for combating inflation through economic policy.

Galbraith thus decidedly asserts that it is an illusion that inflation can be curbed by increasing production or investment, since those measures cause an additional increase in demand. On the other hand, he thinks, also wrong is the idea that it can be controlled by creating a sufficient level of unused capacity, since that conflicts with the aspiration of ensuring security by maximizing production. Galbraith further says that it is a layman's position that there should be direct intervention in the process of creating the spiral of wages and prices, since that clashes with the allocative function of prices and the principle of free enterprise. He also makes fun of the faith in monetary policy as a lever to control inflation, and claims that by changing interest rates and the amount of money in circulation it only has a secondary effect on price trends. Galbraith therefore says that monetary policy is a "crude, unreliable, discriminatory, and slightly dangerous instrument of economic control." The old economic electrician is even skeptical about the theories about "fine-tuning" the money supply, which were born at the time of Nixon's attempts to stop the American inflation caused by the Vietnam War. He also extensively analyzes all the bad consequences of a fiscal approach to inflation, warning that it is easier to achieve an economic revival by means of a budget deficit than to suppress inflation by achieving a budget surplus. He also does not like the combination of fiscal policy and the control of prices and wages, because it yields deceptive apparent results. Galbraith, however, says all of this in his book *The Affluent Society*, and how far we are from that!

The problem of the "package" that appeared last week is not that a little of everything is slapped together in it, but that actually the state has taken everything into its own hands. The limits on prices will not drive goods out of the shops, because they are no longer there. The orders will not drive production into losses, and drive private businessmen abroad—because everything here has been losing for a long time now, and the capital has already fled. The problem is that it will link the fascist elites with the widespread "nostalgia for socialism." That is why the sanctions should be lifted as soon as possible, and should not have been imposed.

Serbia

Beopetrol on Serbian Oil Market

93BA1424G Belgrade BORBA in Serbo-Croatian 19 Aug 93 p 19

[Article by J. Putnikovic: "Tariffs Are Threatening Us"]

[Text] "There certainly cannot be any normal supply of oil derivatives as long as the sanctions continue. Beopetrol is making serious efforts and we are close to a solution for obtaining larger amounts of fuel, which would naturally improve the supply of gasoline and diesel fuel at our pumps for the next two months, but nothing can be done without serious involvement by the state," said Nenad Krekic, advisor to Beopetrol's general director, in commenting on the Serbian market's supply of oil derivatives.

Otherwise, Beopetrol is obtaining from domestic sources (which, let us recall, only cover a fifth of the requirements) minimal amounts of fuel, so it is focusing on purchasing derivatives on the open market.

There, of course, because of the sanctions, especially after Resolution 820, the prices are much higher than market ones, and instead of $160 (which is the price on the world market), a ton of diesel fuel now costs $360-390.

One also has to add to this amount at least $20, and often even more than $30 for transportation. A ton of gasoline is mostly $20-25 more expensive than a ton of diesel fuel, but it is interesting that Serbia is paying at least $170, instead of $80, for a ton of fuel oil.

"We have to pay federal taxes and tariffs (25 percent of the purchase price) on these prices, and when we charge for our distribution margin the republic tax has to be paid—166 percent of the retail price—which makes the goods considerably more expensive, so it is not surprising that we charge the dinar equivalent of two marks for a liter of gasoline. Beopetrol is only left with 10-15 pfennigs out of that amount.

"Consequently, if the state wants citizens to have a better supply of fuel, it also has to adjust to the situation. The tariff of 25 percent of the purchase price made the price increase 200 percent, not 25. If the state gave up some of its revenues and helped to organize and control the oil derivative market, we would probably also succeed in achieving better terms in purchasing, and thus more accessible prices for citizens. This way, the private businessmen who sell derivatives for a high price, do not try to buy it more cheaply, as we do, and instead pay generously, up to $500-600 a ton. Those prices are intolerable for citizens," Krekic concluded.

Difficulties in Public Transportation

93BA1424E Belgrade POLITIKA in Serbo-Croatian 20 Aug 93 p 9

[Article by Cedomir Lakic: "There Are No Locomotives, Railcars, Buses, Fuel, or Tires"]

[Text] *Unless the Serbian Government and all those responsible for the normal functioning of public transportation help shippers, it will be difficult for us to travel this*

winter, on both longer and shorter routes. The Serbian Government supported the Law on Compensation for Railroad Transportation.

Now, in the high summer temperatures, individual branches of public transportation are barely coping with the pressure from travelers who want to spend a day or so of their annual leave outside their home city.

This year, as never before, the pressure was on the railroad. It is in a critical situation because it does not have enough functioning locomotives, railcars, and many parts without which one cannot envision safe and normal transportation. Those who know the railroad well say that the situation at the railroad is also disturbing because of objective material conditions, but also because of its disorganization in adapting quickly to the situation that it is in.

Priority for Transportation

The situation is not any better in public road transportation. Recently we published the information that 80 percent fewer buses were departing from the Belgrade bus station than last spring. Some areas, and even major cities, have found that they do not have enough connections with Belgrade, and it has happened, for instance to the citizens of Cacak, that last week they did not have a single bus to the capital.

In the meantime, we have learned that overall work in public bus transportation has dropped to only 17 percent in comparison with previous times. People in bus enterprises are struggling to purchase a ton or so of fuel, to vulcanize tires that can be used, and to purchase the most minimal things needed for the buses to be able to go out on the road. None of them was able to give us an answer a few days ago as to whether and when he would get the necessary amounts of fuel to be able, by reducing the number of lines and departures, to predict the volume of transportation for the upcoming winter.

Zarko Katic, minister of transportation in the Serbian Government, told us that the bus enterprises have the most right to be angry at the Serbian Ministries of Energy and the Oil Industry for the poor supply of fuel. He thinks that these two ministries have to give priority to transportation immediately after agriculture, and when agricultural work stops—admittedly, it will last until winter—all the available amounts should be used for transportation.

This year the railroad carried 300,000 passengers just on the route toward Bar. There would have been more passengers on other routes as well, but ever since the end of May, railroad workers have been maintaining the most minimal volume of transportation on all routes where diesel locomotives or diesel motor trains are running. On some routes in the interior, trains have become a real rarity. Travelers who could not travel by train once went to the buses, but since there are none of them now either, returning from annual leave in some parts of the country presents a big problem and a big ordeal.

In the meantime, the railroad has also been left without enough functioning locomotives, railcars, and electric motor trains. The percentage of all these railroad vehicles that are out of operation is higher every day, and so the railroad workers say that they are justifiably afraid about how long they will be able to maintain transportation. Both series of electric locomotives, both the one produced by Zagreb's Rade Koncar and the other more powerful one imported from Romania, are giving up every day. They are breaking down because they are being used much more than was expected when they were bought. On the Belgrade-Bar route, almost every day the locomotive of some express train breaks down, and so the trains wait for several hours in order to continue on.

We talked yesterday about the situation in railroad transportation with Zivorad Maksimovic, deputy director of the Belgrade ZTP [Railroad Transportation Enterprise], who told us, among other things, the following:

Social Benefit Creates Big Losses

"Every day, and sometimes several times a day, we analyze the situation in transportation. The embargo and the blockade of transportation contributed to the fact that our so-called profitable work in freight transportation, which is what our highest earnings are from, has fallen to almost a quarter of the lower limit of profitable operation. Everything that we are doing now in passenger transportation, and also in freight transportation, is socially beneficial, but is creating big losses for us. The high percentage of the immobilization of locomotive and car vehicles is a consequence of our poverty. We are making an effort to acquire some necessary parts for locomotives and cars in our areas and by means known only to us, but it is all just a drop of water in the sea. We hoped for the partial, and later the complete lifting of the embargo. Unfortunately, every day there is more unpleasantness in relations with certain neighbors. Many of them are making an effort to make life as bad as possible for us.

"As far as the preparations for winter and next year are concerned, we have measures prepared, but what is that worth when there is very little money?" Maksimovic continued. "The Serbian Government is aware of our problems, and so we recently jointly prepared a draft Law on Compensation in Railroad Transportation. That law should help to accumulate if not all the funds to improve our situation, at least enough for the first period, through tax assessments. We are not seeking money for wages or anything that is not intended for the infrastructure that would ensure safe and unhindered

transportation. A large number of production and service organizations in the republic are prepared to cooperate with us and work with us, with self-sacrifice, and bearing financial hardships in solidarity.

"For the time being, we are aware that the draft law prepared by experts from the government and the railroad has gotten a green light. We hope that this law will be proposed to the deputies at the next meeting of the Serbian Assembly. We do not hope that there will not be any discussion and that it will pass as easily as formerly, but we hope that the deputies from all parties will realize that we cannot go into the winter without a railroad," Zivorad Maksimovic emphasized, among other things.

There is not much time to prepare for winter transportation, but there is no money either. Are both the boards of directors and all those who have been elected or appointed to the institutions that should not only have a large number of meetings, but should also show some results from those meetings, aware of all the problems in detail? As things are now, one gets the impression that the boards of directors either do not have any influence on management and operation, or that those who are supposed to hear and listen to them hear little and listen even less.

Krusevac Seen as Serbian City of Crime

93BA1434C Belgrade VREME in Serbo-Croatian 23 Aug 93 pp 33-34

[Article by Ljubisa Popovic: "The Yugoslav Footwear Dream (YU-SAN) [play on words]"]

[Text] *Krusevac, the Serbian Palermo; Zarko Pavlovic loved the company of prominent people—his favorite guest was Arkan.*

The latest action by the Belgrade police, in which they arrested Zarko Pavlovic—the famous Boss Zare, a Krusevac businessman in Belgrade, the owner of the holding company Jugosanitarija (JU-SAN), the leaser of the Napredak [Progress] soccer club—definitely confirmed the increasingly more prevalent thesis that Krusevac has won the inglorious title of a center of organized crime. Previously this city was not as prominent on the pages of the press and in the other media as in recent months. It did not earn the public's attention this time through economic or sports successes, as in past years, but rather because of the affairs and scandals that are shaking this area. Admittedly, scandals also happened earlier, but it was rare that one scandal followed another with overlapping participants and events.

The news a few days ago that Zarko Pavlovic, one of the lads from the Krusevac streets who had had a meteoric career in business, had been arrested, was therefore received quite calmly in Krusevac, as something that was logical per se, along with a few comments that it should have happened earlier. Those who knew him well claim that he cleared his path with charm and resourcefulness, constantly dancing on the edge between the permitted and the prohibited. It is not known for certain whether Zarko Pavlovic really crossed over the line of the law this time, because his arrest was made secretly—the investigating judge even refused to announce what crime he was suspected of.

Thus, along with the ministerial scandal (Velimir Mihajlovic, ex-minister of trade and tourism in Sainovic's government, has been sitting in the Central Prison for six months now waiting for trial), the auto-mafia, and the trial of a group of debt collectors (Sergej Veselinovic, former minister of religion and culture in the government of the Republic of Serbian Krajina, has been sentenced to six months, and released until the sentence takes legal effect), Krusevac has also become interesting to the media because of Zarko Pavlovic.

Until a few years ago, Pavlovic was known only in circles that want a good time and a leisurely life. Back in the 1970's he headed the famous Panorama discotheque on Banovo Brdo. His nickname "Zare Vacko" dates back to that period, but also his ties with the cream of the underworld at that time.

He gained prominence in the media last year when his firm Jugosanitarija became the owner of a five-year concession for the favorite Krusevac soccer club, Napredak. At that time Zarko Pavlovic explained to reporters that sports and business went together, because business needed sports for publicity and business contacts that could be made more easily through it, and in return sports gained the necessary material conditions.

Zare really did not spare any money with respect to sports, and not just for Napredak. He helped the Crvena Zvezda [Red Star] basketball players and handball players, while his soccer players received a large foreign exchange prize for winning the Yugoslav Cup. Both in sports and in business, everywhere where there was great glamor, Pavlovic's name was everywhere. He sponsored, gave awards, organized humanitarian concerts, and opened acting schools. Those who were close to him can testify that he was generous.

Along with embarking into the world of business, Zarko Pavlovic also became an eagerly seen guest at official receptions. He was thus among prominent guests in the ceremonial hall of the Krusevac municipal assembly at the inauguration of the newly elected municipal president after the December elections.

At that time, Velimir Mihajlovic was at the peak of his political career. He was not often seen with Zarko Pavlovic, although there are those who are inclined to explain everything by deals among people of the same age.

Actually, their life's paths crossed for the first time at the moment that they crossed Crvena Zvezda's threshold in Belgrade. Up until this spring, Velimir Mihajlovic was considered an exemplary young, ambitious, and honest

man. A brilliant pupil and student, a successful businessman and mayor of Krusevac, a polished deputy and smiling minister, a model family man, he was the incarnation of morality.

It was known, however, that Zarko Pavlovic liked games of chance. The poker games that he played in European gambling metropolises are legendary. He loved expensive automobiles and gold. He was often seen in the company of beautiful women. Although it cannot be said that he has a thick police dossier, it is certain that this is not his first time behind bars, because in his career he also tasted the stale air of the famous Turkish prisons.

According to the charges against him, it is known that for Velimir Mihajlovic taking bribes for the resale of oil is involved. There are only hints that oil is also involved with respect to Zarko Pavlovic, but this time it is evasion of the sales tax for that commodity. It is said that the amount evaded is more than 3 million marks. In addition to trading in medicines, Jugosanitarija also dealt in reselling oil. The number of gasoline pumps that Zarko Pavlovic kept along with his partners is not known, but in the Krusevac area alone, it is said, there are five or six. People downtown hint, however, that there were embezzlements involving apartments, and groceries from the commodity reserves.

Zarko Pavlovic loved the company of the well-known and prominent. Athletic fields offered him the best opportunity for that. At Napredak's stadium, many prominent people from Belgrade were seen as his guests, including deputy Radmilo Bogdanovic, former Serbian deputy prime minister, present owner of the powerful Delta M holding company Miroslav Miskovic, Miljanic, Dzajic, Cvetkovic....

His favorite guest, of course, was nevertheless Zeljko "Arkan" Raznjatovic, who even arrived at the stadium in Krusevac in a military helicopter. That is probably why it has been said for a long time in Krusevac that Zarko Pavlovic was Arkan's main business partner.

Many people are now wondering why Krusevac, which until now was better known for its rich history and cultural monuments, fairly developed economy, and industrious residents, is involved in this hotbed of organized crime with traces of political scandals. Why was it Krusevac that became a meeting place for the auto-mafia and debt collectors, and why is the link between organized crime and politics most visible in this area?

Even without a more serious analysis, it is clear that one of the reasons is the relatively rich area and the strong economic base. The supporters of easy earnings and meteoric success are suited precisely by a city which is still living relatively carelessly in conditions in which everyone is barely making ends meet. In Krusevac, there are still people who are ready to spend a considerable amount of foreign exchange for a good foreign car, and private businessmen are still "turning" decent amounts. In order to understand things, it is not irrelevant to mention that in the 1980's the Krusevac JU-SAN people looted Europe. The sanctions also threatened them, and so their "trade" had to be pursued on domestic soil.

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Ten Trucks as a Dowry

According to a story by one of Zarko Pavlovic's partners, who recently "became independent," JU-SAN emerged from a former branch of Zagreb's Jugohospitalija, which dealt exclusively with importing medicines for the domestic market. It was precisely when the war in Croatia broke out and that republic seceded that Zarko Pavlovic succeeded in reregistering the Belgrade representation. As a "dowry," he was left with a shipment of 10 trucks of medicines from Switzerland that had been paid for.

Country's Counterintelligence Plan Detailed

93BA1436A Zagreb VJESNIK in Serbo-Croatian 22 Aug 93 p 11

[Article by Fran Visnar: "Serbia's Counterintelligence Plan: Serbian Spies Are Not Boors"]

[Text] *The Serbs have decided on a long intelligence war, longer than the one on the battlefield. That is why the new Serbian intelligence credo is no longer based on myths from the bloody Serbian past. On the contrary, it is very contemporary: "If an enemy has decided to make a mistake, we should not interrupt him too early."*

While the Serbian war faction, without any scruples, is bringing the idea of Greater Serbia to its culmination, at the same time, far from the public eye, the finishing touches are being put on the infrastructure of an organization intended to safeguard the fruits of Serbian expansion during the coming decade. Through their successes in the military domain and the creation of an intelligence organization very similar to those that exist in the West, but also by copying parts of the new Russian model for intelligence activity, the Serbs have definitively proven that the average image of them that generally exists in the world and in Croatia ("peasant mentality," "uncultured people," etc.) is clearly exaggerated. This is a very dangerous and well-organized adversary with clearly defined goals, an assortment of means at their disposal, and a well-thought-out strategy that adapts to new circumstances.

That is why it is especially important to Croatian national security that we become familiar with the details and all the angles of the realigned Serbian intelligence model, especially since Croatia remains Serbia's main "target" and is clearly a solid obstacle on the road to "solidifying" Greater Serbia. What is immediately striking about the new Serbian intelligence setup is the complete unification of the former civilian security-intelligence structure and the military-counterintelligence structure, all under the firm control of Slobodan

Milosevic and the current Serbian political leadership. Even after they are no longer in power, they will leave a mature organization behind for their successors.

Weight of President's Statements

The goals for which the new system was in fact created have been defined in Belgrade. In the field of counterintelligence, the Serbs want to:

—Keep tabs on the most important enemies (Croatia, Albania, Muslims in Bosnia-Herzegovina), appraise their intentions, and penetrate their territory to the greatest operative extent possible;

—Identify, track, and apprehend all Croatian (and other) agents and intelligence officials when they surface on Serbian soil;

—Learn, down to the most minute detail, the methods of operation of Croatian intelligence and counterintelligence services;

—Get their hands on information on the current code and coding procedure in the Croatian intelligence-security community;

—Gain access to the plans and intentions of enemies on the basis of political positions publicly stated in Croatia, Albania, etc., but also secretly gather information designated as state plans. (For example, when Tudjman vehemently states that "we will go to Knin," then it is important to get confirmation of this from Croatian secret and confidential documents as well; similarly, as soon as the Croatian president says something threatening out loud, Milosevic wants to have the results of intelligence work—a realistic assessment of the weight of his words—on his desk within two hours.)

—Influence enemies' plans by publicly responding to their threats and messages ("if Croatia attacks Knin, missiles will be fired on Zagreb");

—Deceive their enemies in connection with Serbian plans and intentions ("it is to our advantage to be regarded in Zagreb as boors and fools" or "as long as we are considered stupid, we will carry out everything that we want").

On Croatian Commanders

The Serbs have divided information of interest to their military and civilian organization into eight categories. In Croatia, for example, they are interested in everything in this order:

1. The combat structure of the Croatian Armed Forces [HV], especially the deployment of forces in the Knin, Plitvice, and eastern Slavonian regions. The new model for Serbian intelligence activities is supposed to devote the greatest attention to this and obtain information verified by several sources.

2. Organizational information is also top-priority. The Serbs are interested in whether the Croatian Armed Forces, in its "leaps and bounds" development, has succeeded in closing gaps that have emerged and in covering up any weaknesses that could be of key importance in a war.

3. Croatian special units, as well as the identifying marks of the Croatian combat structure, are of particular interest to the Serbs. Of current interest in this regard are observation of HVO [Croat Defense Council] units in Herceg-Bosna, their locations, the names, nicknames, biographies, and education levels of commanders, the ways in which identities are concealed, etc.

4. Information on Croatian commanders and political personnel in the HV is "pure gold" to the Serbs. They are systematically tracking the rise and fall of the number of "old" and "new" Croatian officers, i.e., those Croats who were trained in the former JNA [Yugoslav People's Army] and officers who achieved rank in the homeland war but did not complete military school. The Serbs are trying to learn how actual relations between these two structures stand, whether there is conflict, whether these tensions can be intensified by Serbian intelligence games, how many politicians from the ruling HDZ [Croatian Democratic Community] have been given high ranks and promoted to important officer posts, whether there are former "career" communists among the officers, how many of them worked on the staffs of the former territorial defense, the secretariats of national defense, and military sections or even acted as officials for ONO and DSZ [nationwide defense and social self-protection] but today are more or less hiding that fact (functioning in a state of "total or partial amnesia"), what the actual number of HV officers present in HVO units is, what the chain of command and logistics between Zagreb and Grude is, which of the current officers and "political figures" in the HV and HVO used to cooperate or have any relationship with former JNA security institutions or with the communist political police, etc.

5. The level of training and readiness for war is an equally important category. The Serbs are evaluating the real scope of the Croatian Armed Forces, the influence of politics on military decisionmaking, what the actual strength of the HV is and whether it is actually capable of a major offensive against the Serb borderlands, and how much disinformation and deliberate "smoke screens" there are in the intelligence channels created by Croatian intelligence services. Of top priority to Serbian intelligence are the situation in the lower ranks of the Croatian Armed Forces, respect for discipline and the hierarchy, examples indicating the presence of corruption and political bribes, etc.

6. Information on the weapons and equipment of the HV, reserves, and police interests the best Serbian analysts. Everything is important here: the number of weapons, their quality and origin, how they were procured, additional acquisitions (especially in the Croatian

Air Force, Antiair Defense, and Navy), reserves of ammunition, the possibility of producing various types of weaponry in Croatia, where the red Russian-made fire-fighting helicopters with the insignia of the Republic of Komi (within Russia) are coming from, and whether the Croatian Armed Forces or the police are involved in this.

7. Mobilization plans are essential to the Serbs in order to determine accurately whether Croatia has "paper-tiger brigades" and whether it can enter a war with only 100,000 people or immediately raise 200,000 soldiers, increasing their number to a maximum of 400,000 people; in addition, whether Croatia can arm all these people, what the level of response is by members of the homeland reserve units after being called up to enter military service or report for military exercises, i.e., additional training, etc.

8. Information on Croatian ground defense, the deployment of weaponry and equipment, the state of readiness at military airfields, in operations centers, barracks, ports, and strategic communications—thus ends the long list of what Serbian intelligence services are keeping an eye on in the Croatian military.

Since this involves fundamental and serious preparations, Croatia must cover Serbian intelligence efforts with even higher-quality intelligence and counterintelligence activities. The Serbs have decided on a long intelligence war, longer than the one on the battlefield. That is why the new Serbian intelligence credo is no longer based on myths from the bloody Serbian past. On the contrary, it is very contemporary: "If an enemy has decided to make a mistake, we should not interrupt him too early."

[Box, p 11]

In the "Borderlands"

From Knin to Banija, Kordun, and Okucani, and all the way to occupied eastern Slavonia, the Serbs have several intelligence teams (each with 12 experienced officers), or rather command posts on an operative level, intended exclusively for artillery and air bombardment of Croatian military and civilian targets. Here is how they are structured (according to the Serbian nomenclature) as members of the Serbian intelligence service (foreign security) infrastructure:

Commander; senior staff officer (coordinator); two operative officers; two reconnaissance officers (intelligence officers); one advisor each for artillery, engineering, and aviation (airplanes and helicopters); one officer-"mediator" each for intelligence activities, communications, and logistics (protecting the rear lines).

Macedonia

Gligorov Speaks on Occasion of Independence Day

AU0909141393 Skopje MILS-NEWS in English 9 Sep 93

[Unattributed report: "Gligorov: Independence in Peace"]

[Text] In the message addressed to the citizens of the Republic of Macedonia, on the occasion of Independence Day, 8 September, President Gligorov said: "With Macedonia's declaration of independence and particularly the acceptance to the United Nations, Republic Macedonia crowned the efforts of many generations to obtain their own internationally recognized state.

"The direct result from that was the possibility to decide our own future. Firstly, we chose peace, whose fruits we now see. Our nation was saved from the genocide and the catastrophic consequences from the war. If we had not been independent, others would have made the decisions and now we would be at war.

"The second result from our independence is that we chose a policy of good neighborly relations, and that we are not involved in a conflict with any of our neighbors. In spite of the disputes we have with some of them, they can not cause a direct collision.

"Also, as a result of our European orientation and decision to strengthen our security through the collective organs of the international community, the UN Protection Forces [UNPROFOR] were stationed in Macedonia with the aim of providing a preventive defense for the peace. Their arrival, and particularly their reinforcement with the U.S. contingent are of great importance.

"Our future now depends on us alone. If all parties and political forces in Macedonia took care of the interests of Macedonia, foremost the foreign and internal peace, the democratic development and respect of the human and national rights, if all organs of the state carried out their constitutional functions, soon a time will come when with our own efforts and international help we could begin a rapid development of the economy and a successful struggle for a better life."

PDP Leadership Faces Discontent, Conflict

AU0909094793 Skopje PULS in Macedonian 3 Sep 93 p 14

[Mirche Tomovski report: "Quo Vadis PDP!"]

[Text] The third PDP [Party of Democratic Prosperity] conference in a row was likely to end the way many other events on the Macedonian pluralist political scene end. It "deserved" to make news because it ended, that is to say it proceeded contrary to the known political party stereotype—to start and end sessions in a united fashion. It

was even more significant as it involved the most influencial party of Albanians in Macedonia. The participants of the Conference all left in different directions.

The Conference started with a visible nervousness among the leadership and with an unusual tension among those present. The reason for the hour delay was that some of those attending had neither an invitation nor authorisation. The most persistent was the prominent teacher of gymnastics Mistar Ziberi, a member of the international opposition, and an, as yet, unelected nominee of the Republican Party. His easygoing request to address the audience was not accepted. The atmosphere was also formed by a larger group that persistantly tried to enter the rooms of the Theater of the Nationalities where the Conference was held. "The strike" came soon after.

The Tetovo group, headed by its leader, Menduh Tachi, conditioned the beginning of the session with the removal of Mithat Emini, the secretary. The "Tetovo group" claimed that "he does not enjoy support in Tetovo and does not enjoy the confidence of the party membership." A classical ideological whispering campaign where the argumentation is understandable. That is why "the defense" insisted on facts and on following the statutary rules for replacement, envisaging competences in this "grey zone" only at the PDP congress.

Emini's defense of himself sounded paradoxical compared to the support of Navzat Halili who, "while protecting," offered his advice—"If I were Emini, I would consider my behaviour if my membership did not trust me." This "damning gambit" was abandoned by Halili when the aggressive Tetovo group asked for his resignation, and then for the resignation of the entire Presidency. Totally upset, Halili—the "father of the family" of the PDP—ended the session in the same style, that is to say he postponed it for 20 days. It means there will be a race to secure support for the replacement or the continuation of the current leadership. The Tetovo leader, Tachi, has been seen in Skopje recently, consulting with Skopje communal branches, "at their request." The angry Halili is, for the time being, resting at home, as we learned at the PDP headquarters in Tetovo.

What is the basis of the dispute between the Tetovo branch and the central leadership?

Judging by the events at the conference, the leaders of the PDP assess their own involvement in the implementation of the Party documents as positive. They also assess positively the internationalization of the Albanian issue in Macedonia, the realization of certain Albanian requests regarding their position in internal Macedonian political life, they highlight the positive start to the settlement of disputes in the spheres of education, defense, the police.... Discontent with what has been achieved means further dialogues, discussions, a policy conducted step by step. Regarding the internal political issues, including accountability, they are insisting on argumentation and respect for statutary norms and the exact determination of the competence of the forums.

The "Tetovo style" changes would, they say, open the way to "a wild league" in the Party. The Tetovo group, due to the manner of its work, is called (not in public) "the tea-shop mafia," having a destructive goal in relation to the party. They are said to be radical, especially in the realization of questions of crucial importance to the Albanians in Macedonia. The consequences of this political alternative are viewed as a rash interethnical conflict within the state. It could be provoked by the allegedly imported policy from Albania and Kosovo and the allegedly imported politician, Menduh Tachi, as can be heard, unofficially, in the party halls in Tetovo and Skopje.

In some circles close to the PDP, all this is interpreted as a mere power-struggle, started by Nevzat Halili, who, in his own style, supported the replacement of Secretary Emini. After the conference, the number of members supporting this course is also rising.

The Tetovo "disobedients" assess the current leadership as unfit. Halili, the founder of the PDP is said to be conducting the Party autocratically and is accused of not realizing the strategic goals of the party program. Even the discontent over the work of the government ministers, who are called communists even by the parliamentarians, is connected with the incapability of the party leadership.

In view of the accusations, there are several uncertainties: The position and status of the Albanians as a nation, the development of Macedonia as a multinational community, the practical functioning of the political territorial autonomy of "Ilirida," education in the Albanian language, and the formation of the Faculty of Pedagogy. "The coalition with the communists," they say, not being preconditioned, has to be destroyed, the PDP has to step out from the trap of the authorities, and, for the purpose of greater efficiency, it is necessary to radicalize the means and methods to solve these "questions of national and historic" meaning for the Albanians. Around this focus, other less- or better-known political trifles are encircled.

In spite of the agreement we reached with Mr. Tachi, who promised to disclose to PULS the authentic views of "the Tetovo opposition," that, according to some claims, are going to become the position of the PDP, we did not succeed despite our great efforts. At the headquarters of the Tetovo branch, in the building where the center is situated, they emphasize that they are especially amazed by the rumours that Tachi is an "imported" politican and that the organization is implementing an imported policy.

The race for support within the PDP has started. The position of Halili and Tachi's "opposition" are gathering the necessary critical mass to endure, that is to say, to replace the highest level of the PDP. Will it mean a "renewal" of the current line of the PDP, or "a new"

PDP? Will there be an approach to the aggressive NDP [National Democratic Party]? According to people well informed on the Albanian political mentality, the political alternative will soon come to light.

The party divisions, even those in the PDP, would really not interest anybody, especially because they are a part of the legitimate party folklore. But, due to the subtlety of the ethnic relations in Macedonia, in which the Albanians are a factor of balance, the PDP intrigues are more attractive than mere indifference. It is a part of the democratic milieu that is hardly penetrating through the national circumstances. One thing is for sure—the initial euphoria is giving way to reality, which "is not as nationally compact" as it seems. It has been confirmed that the fierceness of the group and individual interests, the Machiavellianism of the leaders, and the calculations of the ordinary party member are real.... And even the newly composed parties, including the PDP, cannot escape the virus called the struggle for power.

Montenegro

Government Supply, Restriction of Oil Imports

93BA1424F Belgrade BORBA in Serbo-Croatian 19 Aug 93 p 19

[Article by D. Vukovic: "The State Is Both Purchasing and Restricting"]

[Text] In the first half of this year, the consumption of gasoline and diesel fuel in Montenegro was more than cut in half in comparison with the same period last year. The reduction in the consumption of fuel oil is even more drastic—84.9 percent, and so its main consumer—the alumina factory in the Podgorica aluminum combine—had to stop production. The kind of restrictions involved becomes clear only when one knows that from January to December 1992, only 54 percent of the planned amounts of oil derivatives was consumed.

"The decision on restricting oil derivatives has been changed several times since the sanctions were imposed, in order to reduce the amounts that consumers are entitled to. The reason is that oil and oil derivatives are increasingly harder to purchase," explained Veselin Sljivancanin, assistant republic minister of energy, who then commented that so far Montenegro was exclusively consuming imported oil.

"So far Montenegro has received neither oil nor oil derivatives from domestic sources, as a result of which, with the exception of private pumps, prices are much higher in Montenegro than in Serbia," Sljivancanin said. Our interlocutor said that there was a recent initiative (accepted by the republic prime minister) to prepare joint balances for oil and oil derivatives, but also for coal and electricity. That is also logical, as Sljivancanin emphasized, because one state is involved, and at the same time better use would be made of the existing capacities. Agreements in connection with this initiative should begin in just a few days.

According to the current decision restricting the consumption of oil derivatives, the owners of private automobiles in Montenegro are entitled to 15 liters of premium gasoline a month, and that right is confirmed for them by corresponding coupons. In contrast to Serbia, in Montenegro that right is exercised through the regular distribution of coupons. "Why that difference?" we asked Mr. Sljivancanin.

"In Serbia, and especially in Belgrade, city and suburban transportation is better organized than in Montenegro, which had to be considered in solving these problems. We are now succeeding in providing the citizens with 15 liters of gasoline a month, whereas for the economy the restrictions depend on the sector, and range from 30 to 70 percent. The restriction is considerably higher for fuel oil. There are coupons for all physical and legal persons, and the daily fuel quotas are limited at all gasoline pumps. It is known to the liter how much can be sold per day. So far Montenegro has succeeded for the most part in providing consumers with the amounts of oil they are entitled to, while further restrictions will depend on the daily situation," Sljivancanin said.

In response to a question about how Montenegro was purchasing oil derivatives, Sljivancanin said that so far both the purchase and sale of oil derivatives had been approached in an organized manner, mainly through Kotor's Jugopetrol. "That is much better than leaving that business to private businessmen, although I must say that private businessmen have not shown any particular desire to purchase oil derivatives themselves and sell them through retail facilities, although private initiative has not been fettered—quite the contrary," Sljivancanin said.

"We always looked ahead," our interlocutor explained, "whenever it was possible to import oil derivatives. Before the adoption of Resolution 820, i.e., before the sanctions were intensified, we were fairly successful in that, although afterward it became more and more difficult, so only negligible amounts are being imported. In practice, that means that Montenegro is now consuming the inventories from imports before the sanctions were intensified."

Kosovo

Rugova Condemns Serb Police 'Brutality'

AU0809163993 Pristina KOSOVA DAILY REPORT Nr 178 in English 3 Sep 93

[Unattributed report: "Press Conference of President Rugova of Kosova"—issued by the Democratic League of Kosova]

[Text] Speaking at a press conference today (Friday) in Prishtina, President of the Republic of Kosova, Dr.

Ibrahim Rugova said that mounting repression has been taking place all over Kosova.

"A large number of Albanian households in Podujeva, Prishtina, Mitrovica, and other towns of Kosova were subject to Serb police raids under diverse pretexts," said Dr. Rugova, adding that the number of the persons detained and maltreated is very large.

"The most recent manifestation of the Serb police brutality took place in Prizren. Arif Krasniqi, and ethnic Albanian, father to seven children, was tortured to death by the police while being held in Serb custody," said President Rugova, and added that the torture is also being used against other Albanian prisoners, as a means of physically and morally breaking them.

Commenting on the beginning of the new school year, Dr. Rugova said that the attempt of the Albanian students and teachers to peacefully enter their school buildings was, once again, met with Serb police repression, beating up and arresting teachers and students in several towns.

Speaking on the UN sanctions against Serbia and Montenegro, President of the Republic of Kosova said that they will not be lifted until all conditions are met.

"The solution of the Bosnia and Herzegovina crisis should satisfy the requirements of all parties. Aggression should not be rewarded," said Dr. Rugova commenting on the negotiations within the Geneva Conference. President Rugova hailed the letter of the U.S. Secretary of State Christopher concerning this issue.

Dr. Rugova called upon the authorities of the Former Yugoslav Republic of Macedonia to show more understanding for the problems the Albanians have been facing following the introduction of passport regime at the Kosova-Former Yugoslav Republic of Macedonia border.

Continuing, President Rugova of Kosova hailed the visit of the former U.S. President Carter to Albania. "He is a man of peace ad understanding" said Dr. Rugova.

Dr. Rugova expressed appreciation to the UNICEF director Frederico Mayor for a recent letter of support regarding the Albanian education in Kosova, hailing Mayor's call for reopening of schools and faculties to Albanian students.

Replying to a question put forward by a journalist related to the passport issue, Dr. Rugova said that he hoped the issue would be soon discussed with the Former Yugoslav Republic of Macedonia authorities.